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East Asia

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Daily Report
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Japan

Japan: Sanctions Threatened if U.S. Rejects New JAL Service

OW2603052496 Tokyo KYODO in English
0501 GMT 26 Mar 96

[FBIS Transcribed Text] Tokyo, March 26 KYODO — Japan intends to impose sanctions if the United States fails to give the green light to Japan Airlines (JAL) for its planned passenger service to Kona on the Hawaii island, Japanese Government sources said Tuesday [26 March].

The move is aimed at checking opinions within the U.S. Government that JAL's new service should not be endorsed if Tokyo refuses to authorize a new route planned by United Airlines of the U.S., the sources said.

Japan's hard-line stance is unusual in that it came just a day after aviation negotiators of the two countries entered a three-day session of air cargo talks Monday, they said.

Possible sanctions would apply to the services of U.S. carriers, including those flying on to third countries by way of Japanese cities under the so-called "beyond rights" enshrined in the 1952 Japan-U.S. aviation treaty, the sources said.

United Airlines' flights linking Los Angeles with Asian cities via the Narita international airport east of Tokyo would be a likely candidate, they said.

The Japanese flag carrier filed an application with the U.S. Department of Transportation in December to open a route between Narita and Kona on April 1 to replace the Narita-Washington service it had closed in October.

The replacement route falls within JAL's quotas for access to U.S. airports authorized under the 1952 Japan-U.S. aviation treaty, the sources said.

While JAL is already selling package tours and making other preparations for the new service, Washington has yet to respond to JAL's application.

The opening of the Narita-Kona service represents a legitimate exercise of JAL's aviation rights, and retaliation will naturally follow if the U.S. restricts it, the government sources said.

Behind Washington's procrastination over the JAL service lie U.S. Government complaints over Japan's reservations about allowing United Airlines to open a route linking Los Angeles with the Kansai international airport in Osaka, and with Seoul, the sources said.

U.S. diplomatic sources are reported to have said that Washington should turn down JAL's application for the Hawaii service in retaliation for Tokyo's hard-line stance.

The Japanese Government says it is cautious because there are problems with United Airlines services operating under beyond rights.

The U.S. carrier's Los Angeles-Narita-Seoul flights are carrying more passengers in the Narita-Seoul segment than allowed for such secondary segments under the bilateral pact, said officials of the Japanese Transport Ministry's Civil Aviation Bureau.

The company could commit the same violation of the treaty in its Los Angeles-Kansai-Seoul service, they said.

Japan: Tokyo, Washington Still at Odds in Air Cargo Talks

OW2603130996 Tokyo KYODO in English
1231 GMT 26 Mar 96

[FBIS Transcribed Text] Tokyo, March 26 KYODO — Japanese and U.S. aviation negotiators remained far apart in demands on the second day Tuesday [26 March] of three-day bilateral air cargo talks, with the U.S. side still wanting to limit the number of flights to the United States by Japan Airlines (JAL) and Nippon Cargo Airlines (NCA), Japanese officials said.

Japan is arguing that the U.S. should give NCA the same privileges under the 1952 Japan-U.S. Aviation Treaty that JAL receives.

Japanese negotiators also called for the U.S. to lift the limit on the number of flights by the two Japanese airlines although they showed a willingness to compromise on the number of landing slots in the U.S., according to the officials.

The U.S. officials, however, remained negative on granting NCA the privileges and also repeated its claim that U.S. carriers can exercise "beyond rights" to fly to third countries after stopovers unconditionally and without limits, the officials said.

The Japanese negotiators hinted at the possibility that the two countries may extend the period of their talks and continue discussing the matter on Thursday or beyond, they said.

Japan: Trade Minister Denies Reported U.S. Microchip Proposal

OW2603071596 Tokyo KYODO in English
0153 GMT 26 Mar 96

[FBIS Transcribed Text] Tokyo, March 26 KYODO — Trade Minister Shumpei Tsukahara on Tuesday [26

March] denied a press report that the United States has proposed extending the duration of the Japan-U.S. semiconductor accord in return for dropping a numerical target from the pact.

"There is nothing concrete (to show that Japan has received the reported U.S. proposal)," Tsukahara said at a news conference after a regular cabinet meeting.

The YOMIURI SHIMBUN, a national daily, reported that the U.S. asked to renew the accord, due to expire July 31, and double its validity to 10 years from the current five years in exchange for deleting the numerical goal from the accord.

The present agreement calls for the foreign share of the Japanese semiconductor market to rise steadily and gradually above 20 percent.

Japan, however, contends that the accord should be allowed to expire as planned because it has served its purpose. Foreign microchips accounted for 30.2 percent of the Japanese market in the October-December quarter of 1995, the trade ministry says.

The U.S. is urging that progress be made in four Japan-U.S. trade issues, including the semiconductor standoff, before President Bill Clinton's state visit to Japan in mid-April.

Meanwhile, Tsukahara confirmed U.S. Trade Representative Mickey Kantor will be a member of Clinton's entourage for his visit to Japan. Tsukahara said he hopes to meet with Kantor at that lime "if there is a chance."

Japan: Cabinet Formally Approves Clinton's 16-18 Apr State Visit

OW2603010396 Tokyo KYODO in English
0035 GMT 26 Mar 96

[FBIS Transcribed Text] Tokyo, March 26 KYODO — The cabinet formally approved Tuesday [26 March] U.S. President Bill Clinton's April 16-18 state visit to Japan, during which he will hold a summit meeting with Prime Minister Ryutaro Hashimoto to underscore the importance of bilateral relations.

Under the official itinerary, Clinton and his wife Hillary will arrive in Tokyo on the evening of April 16.

The couple will call on Emperor Akihito the next morning after attending a welcoming ceremony.

In the afternoon of April 17, Clinton will hold talks with Hashimoto on security and economic issues and the pair will later hold a joint news conference.

Government officials said the two leaders will issue a joint declaration calling for strengthening the Japan-U.S. mutual security arrangements.

In the evening, the Clintons will attend a banquet hosted by Emperor Akihito and Empress Michiko.

Hashimoto will host a luncheon for Clinton on April 18 before he completes his Japan trip.

Japan: MOFA Press Secretary Announcement on Clinton's Apr Visit

OW2603114496 (Internet) Japanese Ministry of Foreign Affairs WWW in English 26 Mar 96

[Announcement by the Ministry of Foreign Affairs press secretary on 26 March; name of the press secretary not given; place not given; from the "Press Release" link included in the "Press Conference" of the "Foreign Policies" link]

[FBIS Transcribed Text]**Visit to Japan of the Honorable William Jefferson Clinton, President of the United States of America, and Mrs. Clinton (Announcement by the Press Secretary)**

The Honorable William Jefferson Clinton, The President of the United States of America, and Mrs. Hillary Rodham Clinton, accompanied by a suite, will pay a State Visit to Japan from April 16 to 18, 1996. During their stay in Japan, the President and Mrs. Clinton will make a State Call on Their Majesties The Emperor and Empress of Japan. Their Majesties The Emperor and Empress will host a State Dinner in honor of the President and Mrs. Clinton. The President will have official talks with the Prime Minister of Japan. The Prime Minister and Mrs. Hashimoto will host a Luncheon in honor of the President and Mrs. Clinton. The Government of Japan sincerely welcomes the visit of the President and Mrs. Clinton, which will further strengthen the friendly relations existing between Japan and the United States of America.

Japan: DFAA Chief Asks Governor Ota To Sign Land Leases

OW2603080196 Tokyo KYODO in English
0726 GMT 26 Mar 96

[FBIS Transcribed Text] Naha, Japan, March 26 KYODO — The chief of a government agency charged with maintaining defense facilities Tuesday [26 March] asked Okinawa Gov. Masahide Ota to obey a court order to sign documents needed for the continued forced rental of land to the U.S. military.

Defense Facilities Administration Agency [DFAA] chief Masuo Morodomi made the request when he visited Ota at his office the day after the Naha branch of the Fukuoka High Court issued the order.

"I could not obtain an understanding by local residents of the ruling by the Naha branch of the Fukuoka High

Court. I have no intention of confronting the central government, but there could be a case in which I can't meet the government's request as governor," Ota told Morodomi in their meeting, which was open to the media.

Under the court order, Ota has to sign by Thursday the documents needed to maintain U.S. military bases on the southwestern Japanese island, about 1,600 kilometers southwest of Tokyo.

If Ota refuses to obey the court order, Prime Minister Ryutaro Hashimoto can sign the documents instead.

The court order came on the heels of a petition filed by then Prime Minister Tomiichi Murayama last December after several failed attempts to persuade Ota to sign the documents.

Ota has refused to sign the documents, saying his refusal follows the will of Okinawa people who have been outraged by the huge U.S. military presence on the island since the rape of a local schoolgirl by three U.S. servicemen last September.

Japan: Hashimoto Intends To Sign Okinawa Bases Lease Renewal

OW2603112896 Tokyo KYODO in English 1059 GMT 26 Mar 96

[FBIS Transcribed Text] Tokyo, March 26 KYODO — - Prime Minister Ryutaro Hashimoto said Tuesday [26 March] he intends to override Okinawa Gov. Masahide Ota on Thursday and sign documents needed to maintain U.S. military bases in the southwestern Japanese islands.

Hashimoto made the comment during discussions at his official residence in central Tokyo with House of Councillors members of his Liberal Democratic Party, party officials said.

The officials quoted him as saying he will "probably have to sign at 5 P.M. Thursday."

"I intend to sign," Hashimoto was quoted as saying.

Under an order issued by the Naha branch of the Fukuoka High Court on Monday, Ota has until Thursday to sign the documents needed to maintain the leases on U.S. military bases in the prefecture, about 1,600 kilometers southwest of Tokyo.

If he refuses to obey the court order, Hashimoto can sign the documents instead.

Earlier Tuesday, Defense Facilities Administration Agency chief Masuo Morodomi failed to gain an undertaking from Ota to obey the court order during a meeting which was open to the media in Naha, the prefectural capital.

Ota told Morodomi that he "could not obtain the understanding of local residents" regarding the court ruling.

"I have no intention of confronting the central government, but it could be the case that I cannot meet the government's request as governor," he said.

Monday's court order came on the heels of a lawsuit filed by then Prime Minister Tomiichi Murayama last December after several failed attempts to persuade Ota to sign the documents.

Ota has said his refusal is in accord with the will of Okinawa people who have been outraged by the huge U.S. military presence on the island since the rape of a 12-year-old local schoolgirl by three U.S. servicemen last September.

The documents in question are those for renewing land leasing contracts for a total of 35,000 square meters of land owned by Okinawa residents, including a 236-square-meter plot in Yomitan used for a U.S. telecommunications facility whose leasing contract expires at the end of March.

Hashimoto said it will take "some time" for a special committee dealing with appropriations in Okinawa to handle the issue of a landowner in Yomitan, about 24 km northeast of Naha, who is refusing to renew a lease on land housing the U.S. military communications facility.

"Since the governor sides with the people in the prefecture, he can't put in a good word, so approval will be late," the officials quoted Hashimoto as saying.

They said Hashimoto expressed concern that approval for a renewal of the lease might not come in time for the April 16 visit to Japan by U.S. President Bill Clinton.

Land housing the Sobe communication site is owned by Shoichi Chibana, one of a number of landowners in Okinawa who oppose the presence of U.S. Forces in the prefecture and the forced lease of their land to the U.S. Military.

The prefectural government wants to recover the land occupied by all local U.S. bases there in 20 years, and has urged the government to review the 1960 Japan-U.S. Status of Forces Agreement, reduce noise from U.S. military facilities and reduce U.S. bases-related crimes and accidents.

About 75 percent of all Japanese land for U.S. military use is concentrated in Okinawa, which accounts for only 0.6 percent of Japan's total area.

Japan: Okinawa Military Facility Fenced Against Protest Rally

OW2603014396 Tokyo KYODO in English 0109 GMT 26 Mar 96

[FBIS Transcribed Text] Naha, Japan, March 26 KYODO — Defense authorities in Okinawa began constructing a fence Tuesday [26 March] around a U.S. military communications facility that is expected to be the focal point of antibase demonstrations later this week.

The Naha regional Defense Facilities Administration Bureau said it has received reports that antibase demonstrators plan to rally at the site of the Sobe communications facility in Yomitan in protest at the forced leasing of the land to the U.S. military.

"We have received information that some disruptions can be expected in the area over the weekend," the bureau said, explaining its decision to erect the fence.

It is building a 2.3-meter-high fence of strengthened plastic around the facility with another fence of 1.5 meters in height outside the first.

In addition, Okinawa police have established a security headquarters in order to deal with up to 1,500 antibase activists who are expected to travel to the island prefecture for the rally.

The bureau's action came in the wake of Monday's court decision ordering Okinawa Gov. Masahide Ota to sign the required documents forcing local landowners to lease their land to the U.S. military.

Prime Minister Ryutaro Hashimoto can sign the documents if the governor continues to refuse to do so.

The lease on the 236 square meters of land used by the facility in Yomitan expires March 31 and landowner Shoichi Chibana has demanded that the land be returned to him.

Last week, Chibana indicated he might take legal action against the U.S. Government for the return of his land some 25 kilometers northeast of the prefectural capital of Naha.

About 75 percent of all Japanese land for U.S. military use is in Okinawa, which accounts for only 0.6 percent of Japan's total area and is located about 1,600 kilometers southwest of Tokyo.

Japan: U.S. Military Expected To Continue Using Okinawa Land

OW2603105596 Tokyo KYODO in English 0849 GMT 26 Mar 96

[FBIS Transcribed Text] Tokyo, March 26 KYODO — While the expiry of a lease at the end of this month will end the U.S. military's right to use a piece of land in Okinawa Prefecture, the continued use is not necessarily illegal and equipment on the site need not be removed, a government spokesman said Tuesday [26 March].

Chief Cabinet Secretary Seiroku Kajiyama was referring to a 236-square-meter lot in the Sobe communications facility at the village of Yomitan, Okinawa Prefecture.

Japan bears an obligation to provide land for the use of U.S. bases under the bilateral security treaty, while the land at issue has been lawfully used by the U.S. military for the past 20 years and its continued use is necessary for the sake of security of Japan and East Asia, he told a press conference.

There have been many cases of conflicts between individual rights to land ownership and the public interest, Kajiyama said.

The government has made some "blunders" to bring about such a state of affairs, he said.

The Naha branch of the Fukuoka High Court handed down a ruling Monday ordering Okinawa Gov. Masahide Ota to cooperate with the central government to force landowners to renew lease contracts on the Sobe site and some other land.

With Ota expected to disobey the ruling, the U.S. military's use of the Sobe lot will not have any legal basis after the contract expires at the end of March.

The owner of the Sobe land, Shoichi Chibana, a 47-year-old local grocer, has said he will claim the return of the land.

Japan: Article Views Ruling on Proxy-Signing Trial

OW2603093696 Naha OKINAWA TIMES in Japanese 25 Mar 96 Evening Edition p 1

[By city reporter Takeshi Taira]

[FBIS Translated Text] The Naha branch of the Fukuoka High Court (with Ichiro Otsuka as chief justice) merely stressed the importance of the Japan-U.S Security Treaty and turned down Okinawa Governor Masahide Ota's claim that forcing excessive burden of U.S. military bases on Okinawa for the past 50 years is inconsistent [with the Constitution]. While maintaining that the prime minister's highly political decision is outside the scope of its examination, the court approved the state's assertions in a more emphatic manner than in the past, saying: "It cannot be said that the special law on compulsory use of land reserved for the U.S. military is unconstitutional." In the past, the court has avoided passing judgment on issues related to defense and foreign affairs. It can be said that in comparison with the trend of similar trials in the past, the latest verdict was more emphatic.

Otsuka said: "Military base-related problems in Okinawa should be resolved by promoting the consolidation and reduction of U.S. bases in a step-by-step manner, and the state has a great responsibility to do so." The verdict can be praised for making reference to the excessive concentration of military bases on Okinawa. However, the court nearly completely turned down the prefectural government's claims, including the latter's assertion that the compulsory expropriation of land for U.S. military use is unconstitutional. Thus, it can be said the verdict virtually approved the government's policy to permanently keep U.S. military bases on Okinawa.

Moreover, the ruling that designates the governor's proxy signing as an assigned function runs contrary to the trend of decentralization of power. The concept of "assigned function" is a system under which the governor is considered a state "agency" and entrusted to carry out various functions. It was used under the constitution in the Meiji Era during which the state gave orders to governors who were appointed [rather than elected by popular vote]. The current Japanese Constitution states the main objective of local governments and defines decentralization. In 1995, a law to promote decentralization was enacted, and calls have been mounting for abolishing assigned functions. All these moves are in line with the principles of the Constitution.

The court ruled that the governor's proxy signing, which follows the procedures for compulsory expropriation of land for military use, is an assigned function, maintaining that "functions in regard to authorization of undertakings under the land expropriation law — which is equivalent to the authorization of land use — are the functions of the state." The question of whether this is valid will continue to come up in the future.

The process of compulsory expropriation of land for military use has not ended with the governor's rejection of proxy signing. There still remain various procedures including the circulation of notices and open deliberation by the prefectural Land Expropriation Committee.

Although the central government is expected to hasten the compulsory expropriation process by taking various legal steps, hasty moves will provoke the Okinawan people's resentment. In that case, the central government will certainly run into difficulties in carrying out its military base policy. The central government should not get tied down to the idea of "fulfilling obligations under the Japan-U.S. Security Treaty." It is desired that the central government try to examine the backdrop against which Governor Ota refused proxy signing from the standpoint of the Okinawan people.

Japan: DA Firms Up Budget for Selecting Live-Fire Drills Site

OW2503142996 Tokyo YOMIURI SHIMBUN in Japanese 25 Mar 96 Morning Edition p 1

[FBIS Translated Text] On 24 March, the Defense Agency [DA] firmed up a plan to incorporate about 18 million yen as a research expenditure for relocation of live-fire ammunition drills across the Prefectural Highway 104, which are currently conducted at Camp Hansen, a U.S. military base on Okinawa, in a provisional draft budget to be compiled in the near future. The decision was made because the DA had been convinced that "it is necessary to evade an absence of a full-scale budget which may become reality in the wake of the Diet stall," (according to a DA source). It is unusual to incorporate policy-oriented expenses, such as the research expenditure, in a provisional draft budget. On a timetable for making the final decision on new locations, the DA is saying that "it will be made as soon as possible," (according to a senior official). However, it seems that the final decision will be made after this summer.

The DA will entrust a private research firm with the task of investigating, among other things, 1) the impact of noise and vibrations created by live-fire exercises on people who live near the training area; and 2) the method for relocating U.S. troops who are taking part in live-fire exercises off of Okinawa.

Several places, of which the Higashifuji training ground is central, will be selected from nine large training grounds of the Self-Defense Forces as candidate sites for live-fire training. Higashifuji (in Shizuoka Prefecture) is the place where the U.S. military has been expressing a strong desire to conduct training.

Tokyo, Washington Hold Meeting on TMD Defense System

OW2603115996 Tokyo KYODO in English 1104 GMT 26 Mar 96

[FBIS Transcribed Text] Tokyo, March 26 KYODO — Japan and the United States held a working-level meeting Tuesday [26 March] to look into the possibility of bilateral cooperation on a sophisticated antiballistic missile system.

The bilateral meeting on the theater missile defense (TMD) system was the fifth in a series since December 1993. The last such session took place in Tokyo last May.

The talks brought together working-level officials of the Foreign Ministry and the Defense Agency on the Japanese side, and their counterparts in the U.S. Defense Department.

The TMD project, advocated in 1993 by the administration of U.S. President Bill Clinton, is intended to counter incoming enemy ballistic missiles with missiles using spy satellites.

At Tuesday's meeting, the U.S. briefed Japan on its ballistic missile-related budget, progress in a review of its ballistic missile project and its cooperation with third countries over this type of missile, Japanese officials said.

Japan has yet to decide whether it will participate in the project, although the Defense Agency set aside 440 million yen for research and development of the TMD under the national budget draft for fiscal 1996 beginning April 1.

The Defense Agency hopes to make a decision in fiscal 1997 whether to take part in the project, according to agency officials.

Japan: Marines Disappear After Hitting Governor Ota's Car

OW2603004196 Naha RYUKYU SHIMPO in Japanese 26 Mar 96 Morning Edition p 26

[FBIS Translated Text] At around noon on 21 March there was a hit-and-run accident in which a U.S. Marine Corps [USMC] vehicle, driven by a Marine Corps member, bumped into Okinawa Governor Masahide Ota's official vehicle in the roadway in front of the Naha Airport building. The governor, his secretary, and the driver sustained no injuries, but the serviceman who drove the military vehicle fled the scene. Ota was on his way to Tokyo to meet with Prime Minister Ryutaro Hashimoto. The prefectural government has asked U.S. military authorities via its Military Affairs Office to conduct an investigation into the accident, including tracking down the serviceman who fled the scene. However, the government reportedly has not received any word from the military authorities, so far.

The accident occurred immediately after the governor's official vehicle (a Toyota Century), with the governor inside, arrived at Naha Airport. A U.S. military van bumped into the rear bumper of the governor's car. According to the prefectural government, the van was white in color and marked "Marine Corps" on the body of the vehicle. There reportedly were two servicemen in their 20's in the front seat of the van.

The accident occurred just before the governor got out of his car. According to a concerned source, "a dull bump was heard and the governor turned around and saw that a white van had hit the rear bumper of his car." There reportedly was only minor damage to the governor's car. The servicemen disappeared while the governor's driver was calling the prefectural police.

Governor Ota has asked U.S. military authorities, via the prefectural Military Affairs Office, to conduct an investigation into the case, including confirmation of the servicemen who fled the scene. He complained: "U.S. military-related incidents and accidents have been occurring frequently, and the military authorities are reportedly trying to thoroughly enforce discipline. Why do such accidents keep happening?"

Japan: Cabinet Considering Adopting 200-Mile Economic Zone Package

OW2503093296 Tokyo KYODO in English 0757 GMT 25 Mar 96

[FBIS Transcribed Text] Tokyo, March 25 KYODO — The cabinet will adopt a package of bills Tuesday [26 March] to set up a 200-nautical mile economic zone around Japan's coastline, a government spokesman said Monday.

The bills will be approved at Tuesday's regular cabinet meeting for swift submission to the ongoing Diet session ending June 19, Deputy Chief Cabinet Secretary Teijiro Furukawa told a press conference.

The bills aim to prevent foreign boats from fishing in the zone without permission from the agricultural and fisheries minister, and also introduce measures on resources conservation, pollution control and patrolling.

The cabinet will also adopt a bill on the U.N. Convention on the Law of the Sea for parliamentary approval.

The cabinet of Prime Minister Ryutaro Hashimoto decided Feb. 20 to seek establishment of the zone under the U.N. pact.

The move angered South Korea as Japan has asserted sovereignty over a disputed group of islets in the Sea of Japan, known as Takeshima in Japan and Tokto in South Korea.

Seoul ratified the U.N. Convention late last year, but held off declaring a 200-mile zone.

South Korea's YONHAP NEWS AGENCY reported March 19 that Seoul will submit bills to establish the zone in June.

Tokyo's move has also fueled a territorial row with China over the Senkaku Islands in the East China Sea, called the Diaoyu [Tiaoyu in Wade-Giles] Islands by

China and the Tiaoyutai [Diaoyutai in Pinyin] Islands by Taiwan.

At an Asia-European summit in Bangkok early March, Japan agreed separately with South Korea and China to seek early talks on fishing in the disputed areas.

Japan: Agency Considering Applying TAC System

OW2503124396 Tokyo KYODO in English 1222 GMT 25 Mar 96

[FBIS Transcribed Text] Tokyo, March 25 KYODO — Japan's Fisheries Agency will introduce the total allowable catch (TAC) quota system in January 1997 as scheduled even if negotiations for fishing pacts with China and South Korea are not completed by that time, government sources said Monday [25 March].

The TAC system, to be introduced following the government's ratification of the U.N. Convention of the Law of the Sea, is a system setting quotas for different kinds of fish and calling for fishermen to observe target catches to preserve fishing resources.

The agency is considering applying the system to about seven kinds of fish to begin with, the sources said.

Japan's fishery organizations have been opposing the government's plan to introduce the system, insisting there is no point in setting quotas only for Japanese fishing boats if Chinese and South Korean fishing craft can catch fish freely.

Such organizations demand that the government establish a 200-nautical-mile exclusive economic zone as a precondition for introduction of the TAC system.

The agency thinks it possible to start the system either way, with the government setting quotas only for kinds of fish that Chinese and South Korean fishermen do not catch or setting quotas even for fish they do catch but not penalizing Japanese fishermen for overstepping the regulations, the sources said.

The agency will submit the related bills to the Diet on Tuesday, the sources said.

Japan: MOFA Press Secretary on Nuclear Free Zone Treaty

OW2603114896 (Internet) Japanese Ministry of Foreign Affairs WWW in English 25 Mar 96

[Statement by the Ministry of Foreign Affairs [MOFA] press secretary on 25 March; name of the press secretary not given; place not given; from the "What's New" link]

[FBIS Transcribed Text] On March 25, France, the United Kingdom and the United States signed the Protocol of the South Pacific Nuclear Free Zone Treaty. In the decision concerning the "Principles and Objectives for Nuclear Non-Proliferation and Disarmament" which was taken at the Review and Extension Conference of the Parties to the Treaty on the Non-Proliferation of Nuclear Weapons in May last year, it is stated that "the co-operation of all the nuclear-weapon States and their respect and support for the relevant protocols is necessary for the maximum effectiveness of such nuclear-weapon-free zones and the relevant protocols". The present signing by France, the U.K. and the U.S. is in line with the above-mentioned statement. Japan welcomes it, as it will substantially strengthen nuclear non-proliferation in the South Pacific region.

Japan: Spokesman on Ikeda's Moscow Visit, SACO

OW2603090596 (Internet) Japanese Ministry of Foreign Affairs WWW in English 22 Mar 96

[News conference by Japanese Ministry of Foreign Affairs spokesman Kazuo Kodama with unidentified reporters on 22 March; place not given; from the "What's New" link]

[FBIS Transcribed Text] [Topics of Discussion] I. Introduction of the Press Conference II. Visit to Moscow by Minister for Foreign Affairs Yukihiko Ikeda to the Russian Federation III. Revised Deregulation Action Program to be approved by the Japanese Cabinet on 29 March IV. Contribution of emergency aid by Japan for refugees, internationally displaced persons, and afflicted persons in the former Yugoslavia V. Japan-Russian Federation relations VI Matters pertaining to Japan-United States relations and Special Action on Facilities and Areas in Okinawa (SACO)

I. Introduction of the Press Conference

Foreign Ministry Spokesman Kazuo Kodama: Good afternoon, ladies and gentlemen. I will address the following three items: Number one, the outcome of the very recent visit of Minister for Foreign Affairs Yukihiko Ikeda to Moscow; number two, the Revised Deregulation Action Program which will be approved by the Diet on 29 March; and number three, assistance to the former Yugoslavia (the new measures announced by the Japanese Government today).

II. Visit to Moscow by Minister for Foreign Affairs Yukihiko Ikeda to the Russian Federation

Foreign Ministry Spokesman Kazuo Kodama: While in Moscow, Foreign Minister Ikeda met President Boris Yeltsin of the Russian Federation on 20 March. On the same day, he also held a Regular Foreign Ministerial Meeting with his counterpart Minister of Foreign Affairs Evgenii Maksimovich Primakov of the Russian

Federation. This was followed by the first meeting of the Inter-Governmental Committee on Trade and Economy, which also took place on the afternoon of 20 March.

When Foreign Minister Ikeda paid a courtesy call on President Boris Yeltsin of the Russian Federation, President Yeltsin expressed himself as follows. He said, "It has been a rather long time since the ministerial dialogue between the two countries has been conducted. However, the time has come that the two sides sit together and discuss matters of mutual interest. Russia values its relationship with Japan, and it is my strong hope that dialogue with Japan will be conducted in all fields." President Yeltsin said, "I would like to firmly maintain the principles and contents of the Tokyo Declaration. Based on that, I intend to further develop the bilateral relationship between the two countries. Over the last two years, there have been some positive developments, one of which is certainly the setting up of the Inter-Governmental Committee on Trade and Economy. The trade between the two countries has been increasing. Also, we studied the possibility of exchange of security authority personnel. Negotiations on fisheries activities in the area of the southern Kurile Islands is progressing. I am grateful to the Japanese Government for its support of the Russian reform efforts. I very much look forward to receiving Japanese Prime Minister Ryutaro Hashimoto when he visits Moscow on the occasion of the Nuclear Safety Summit to be held in Moscow next April. Please convey my best regards to Prime Minister Hashimoto." These were the initial remarks by President Yeltsin. He then commented that, "We are making progress toward the conclusion of the peace treaty between the two countries. At the same time, it is very important that the two countries endeavor to promote wide-ranging cooperation, thereby further developing a good neighborly relationship between the two countries. And, this year marks the fortieth anniversary of the normalization of diplomatic relations between the two countries, and I believe that the future prospects for the development of relations between the two countries are bright. As for the Ex-Im Bank loans (amounting to US$400 million), they are being smoothly implemented. It is time to further initiate the pending Ex-Im Bank loans with an amount of US$500 million. As for the approach to international matters, the lines taken by the two governments are close. There do not exist any substantial differences. When the Nuclear Safety Summit is held in Moscow next April, the issue of Russia becoming a member of the G-8 will be examined. I do hope that Japan will support this joining of Russia to the G-8."

In response to those remarks by President Yeltsin, Foreign Minister Ikeda responded as follows, "While there has been no ministerial visit to Russia by Japanese ministers over the last two years, I would like to take this opportunity to further advance the bilateral relationship between the two countries. Especially, I look forward to having substantive discussions with my counterpart Foreign Minister Primakov. Yes, this year marks the fortieth anniversary since diplomatic relations were normalized between the two countries. We should take this opportunity to further advance our relations. It is also important that we not only maintain the letter and the spirit of the Tokyo Declaration, but we should further develop the bilateral relationship based on this declaration. So, in this respect, I cannot agree more with the words of President Yeltsin. As for the Ex-Im Bank loans, I would like to discuss this further with First Deputy Prime Minister Soskovets of the Russian Federation. We highly appreciate that the Russian President himself has taken a leading role in implementing the reforms in Russia. If you look at the economy, the price levels are being stabilized, and we appreciate that some positive results are being noticed. Results of the reform have been coming to the fore. We appreciate that President Yeltsin made clear again the importance of the reform line on the occasion when the election is imminent at this stage. We believe that Japan is of the view that the advancement of Russian reforms is important not only to Russia, but to the world at large, and this view is shared by Prime Minister Hashimoto himself. We very much hope that when the Prime Minister visits Moscow to attend the Nuclear Safety Summit in April, he would like to have an opportunity to have bilateral talks with President Yeltsin. On the issues of the international arena, President Yeltsin mentioned that on many occasions, Japan and Russia share the same positions. On these issues, I would like to hold discussions with my counterpart Foreign Minister Primakov. As for the Nuclear Safety Summit, it is the view of the Japanese Government that it must be successfully held, and for that purpose, Prime Minister Hashimoto intends to do his utmost. On the issue of Russia becoming a member of the G-8, I certainly will convey the message of the President himself to Prime Minister Hashimoto. On this issue, certainly, the Japanese Government would like to fully consult with other G-7 members." That is the gist of the discussions held between Foreign Minister Ikeda and President Yeltsin.

The Regular Foreign Ministerial Meeting took place the same day, on 20 March, from 11:10-13:15, during which they also had a working lunch together. In the Foreign Ministerial talks, they covered mainly the following items: 1) reforms in Russia; 2) the territorial issue; 3) the problem of the Russian forces stationed in the four northern islands; and 4) Japanese vessel operations in the area of the Northern Territories. They also touched on the security dialogue, and also the issues on the setting up of the Japan/Russia Eminent Persons Group in addition to the issues of the abandonment of nuclear waste in the ocean. Also, security authority level cooperation, and the issues pertaining to the international arena, such as the Nuclear Safety Summit, United Nations reform, Asia-Pacific Economic Cooperation (APEC), etc. In the end, Foreign Minister Ikeda proposed that the next round of ministerial talks be held in Tokyo, so he asked Foreign Minister Primakov to visit Tokyo and Foreign Minister Primakov gracefully accepted this offer.

Regarding the significance of the Foreign Ministerial meeting, and also the meeting between Prime Minister Ikeda and President Yeltsin, the following three pillars can be pointed out as the elements of importance. First of all, on the issue of territory, both sides reaffirmed the Tokyo Declaration and based on this Declaration, both sides clearly agreed that the bilateral relationship between Japan and Russia will be advanced. Therefore, we appreciate that this element was acknowledged between the two on this occasion. We think this is also politically important. Specifically, for us to deal with the territorial issue after the Russian Presidential election. As for the withdrawal of Russian forces stationed on the northern islands, I think Foreign Minister Primakov explained the situation. We would also like to note that there has been progress on this matter. As for the security dialogue, it was agreed that the political level exchange between the authorities of both countries, i.e., the Japan Self-Defense Agency and the Russian Defense Ministry, will commence. Finally, Foreign Minister Ikeda did take part in the very first meeting of the Inter-Governmental Committee on Trade and Economy between Japan and Russia, which took place from 14:15 to 16:00 in Moscow. The Russian side was led by First Deputy Prime Minister Soskovets. At this meeting, they covered the following issues: number one, they discussed the ways and means to revitalize the private sector activities between our two countries. Number two, they also discussed the ways and means of how to implement smoothly the Russian reform policy and how best Japan could support such Russian efforts. Number three, they also touched on the issues pertaining to the Russian Far Eastern Region, and in that respect, how to strengthen the relationship between Japan and that part of the region.

Foreign Minister Ikeda made a proposal that Japan would like to host the second round of the committee and extended an invitation to First Deputy Prime Minister Soskovets to head his team when the next round will be held in Tokyo. The timing of the next meeting will be arranged in due course.

III. Revised Deregulation Action Program to be approved by the Japanese Cabinet on 29 March

Foreign Ministry Spokesman Kazuo Kodama: Recently, it has been reported that the Revised Deregulation Action Program will soon be announced. On 29 March, the Government will approve the revision of the Deregulation Action Program. As you know, the Japanese Cabinet approved the Deregulation Action Program on 31 March last year. When it was announced, it was also decided that a review of the Program will be completed by the end of each calendar year and revision will be completed by the end of each fiscal year. In fact, on the basis of opinions and requests received from interested parties, both domestic and foreign, and the results of monitoring by the Administrative Reform Committee and other information, I am very pleased to tell you that yes, the Cabinet will approve the revised Action Program on 29 March. As for the likely outcome of this revision process, the Government, up to now, has been tackling the revision process wholeheartedly and very seriously indeed. It is expected that the Revised Action Program would certainly contain tangible, specific progress in such fields as telecommunications, construction, and also some financial fields. As for the construction field, I would like to also say that when Prime Minister Hashimoto visited Santa Monica in the United States of America to meet President William Clinton of the United States, at the press conference held after the meeting, he mentioned that an augmented deregulation program will be announced. In regards to housing, the Japanese Government will change the conventional rules into performance standards. That should make it easier for foreign-made homes or houses to find their way into the Japanese market. To repeat — on 29 March, the Government will approve the revised version of the Action Program, which will contain specific and tangible elements within it.

IV. Contribution of emergency aid by Japan for refugees, internationally displaced persons, and afflicted persons in the former Yugoslavia

Foreign Ministry Spokesman Kazuo Kodama: Today, the Japanese Government decided to contribute emergency aid of US$25,850,000 in total through the auspices of the United Nations High Commissioner for Refugees (UNHCR) and other international organizations to support refugees in the former Yugoslavia. This is, in fact, in response to the United Nations consolidated inter-agency appeal for humanitarian assistance for a total of US$25,850,000 in March of this year as operational expenses until December. The Japanese Government has decided on the present additional aid on top of the US$19,320,000 in emergency aid decided on in December of last year. Furthermore, the Government of Japan also intends to extend to the Government of Bosnia and Herzegovina a grant in aid of 2,500 million yen, called non-project assistance, to contribute to the reform of the country's economic structure, and to the easing of its current economic difficulties, including debt problems. This money is intended to be used for funds to import necessary products for promoting its economical structural reform. This non-project grant assistance is the first of its kind to Bosnia and Herzegovina. These measures are being taken by the Japanese Government. This is, in fact, in line with our position concerning the international support efforts for the former Yugoslavia. We believe that these issues pertaining to the former Yugoslavia are relevant to the building of the new international order after the end of the Cold War. It is also imperative for the international community to be united to support the peace process and the reconstruction of the former Yugoslavia. Japan is of the view, as a member of the G-7, to actively take a part in efforts to assist the former Yugoslavia. In fact, those announced measures are what the Japanese Government has been doing in the field of civilian sector assistance for the former Yugoslavia.

V. Japan-Russian Federation relations

Q: Does Prime Minister Hashimoto have any intention of raising the question of the Northern Islands with President Yeltsin when he goes to Moscow?

A: When Foreign Minister Ikeda met President Yeltsin, Foreign Minister Ikeda delivered a letter from Prime Minister Hashimoto addressed to President Yeltsin. I will read it out for you. I hope it will answer your question. His message, basically speaking, contains three points as follows. First of all, it is extremely meaningful for Foreign Minister Ikeda to visit Moscow, and to conduct the ministerial talks between himself and his counterpart, focusing on such issues as the territorial issues and political as well as economic matters, and also to attend the very first Inter-Governmental Committee on Trade and Economy between the two countries. Secondly, on the occasion of the Nuclear Safety Summit in April of this year, Prime Minister Hashimoto would like to actively cooperate with President Yeltsin to ensure a successful meeting of the Summit. On that occasion, Prime Minister Hashimoto would like to have a substantive, meaningful meeting with the Russian President. Based on the results of Foreign Minister Ikeda's visit to Moscow, Prime Minister Hashimoto would like to further advance the bilateral relationship between the two countries in accordance with the Tokyo Declaration. Thirdly, Prime Minister Hashimoto is encouraged strongly by the determination of President Yeltsin himself to firmly maintain the reform line, particularly at the time when the presidential elections are coming soon. Japan, on its part, would like to reaffirm its position of continuing to support Russia's reform policies. So, those are the elements of his message to President Yeltsin. I think this answers your question.

Q: So, can you see any real advance as a result of this visit to Moscow by the Foreign Minister?

A: What do you mean by real progress?

Mr. Alexander Kopnov (ITAR-TASS): You said before that the Japanese side hopes for an advance in the relationship with Russia, so I wonder if you see any advance as a result of this visit to Moscow by Foreign Minister Ikeda?

Q [as received]: Yes, I think so. Previously I elaborated on the significance of his visit and I think the fact that the Foreign Minister had substantive discussions with his counterpart, and also discussed major issues such as trade and economic issues with this Inter-Governmental Committee, is a positive outcome of his visit. We are pleased with this result.

Mr. Alexander Kopnov (ITAR-TASS): Can you be more exact about the discussions between Foreign Minister Ikeda and Russian First Deputy Prime Minister Soskovets? You said the next session will be held in Tokyo, but I don't understand exactly how it works — are both sides going to raise a full-time working agreement?

A: First of all, as I understand, this Committee was established when First Deputy Prime Minister Soskovets himself paid a visit to Tokyo in November of 1994. Last November in Moscow, three meetings of a sort of sub-committee were held as a preparatory step to have this first round of the Inter-Governmental Committee on Trade and Economy. In fact, this Inter-Governmental Committee is an upgraded version of a previous consultation which has been held on a vice- ministerial level in the past. At least, for the Japanese side, we think this upgrade of dialogue in the field of trade and economy between the two is very important. We value very much this dialogue as a sort of high level dialogue, together with our regular foreign ministerial talks. As for Foreign Minister Ikeda, this is his first opportunity to meet First Deputy Prime Minister Soskovets, and we believe through this meeting, Foreign Minister Ikeda has established his personal ties with First Deputy Prime Minister Soskovets. Now, as I mentioned, three issues were discussed. Number one is, I repeat, the consolidation of conditions to revitalize or regalvanize the activities of the private sectors between

Japan and Russia. Number two is how to smoothly implement the Russian reform policies themselves, and how, for Japan, to support such efforts. Number three is the ways and means to strengthen the ties in Japan and the Russian Far Eastern Region, focusing on economic matters. In the meeting, they also discussed the pending issues of the private debt on the Russian side and some other issues.

Q: I have heard that the two sides agreed on how to use the US$500 million in humanitarian aid for Russia. Can you confirm this or not?

A: On the issue of this US$500 million Ex-Im Bank loan, we are aware of the request on the part of Russia to divert some of the money to purposes other than humanitarian, and also to divert it to geographic locations which were not originally intended. I think this time the Japanese side appreciated that the Russian side is giving consideration to the project related to the Russian Far Eastern region. On the other hand, the Russian side still hopes to pick up projects which are beneficial to the non-Far-Eastern regions of Russia. So, having discussed all those points, I think there was a basic agreement on the understanding that, within the framework of the amount of US$500 million, any feasible project will be initiated, and all through the Russian procedures, the specific project will be financed again in such a way that the total amount will be under the framework of US$500 million.

Q: NHK had a report yesterday regarding Foreign Minister Ikeda and Foreign Minister Primakov's meeting. They said that they failed to make progress regarding the northern islands. Could you comment on that?

A: Regarding the issue of the Northern Territories, at those meetings conducted by Foreign Minister Ikeda in Moscow, as I explained earlier, both sides reaffirmed the importance of the Tokyo Declaration. Based on this Declaration, both sides agreed to advance the bilateral relationship. We also discussed the withdrawal of Russian Forces stationed on the four islands of the Northern Territories. We believe this is a positive development on this issue.

Q: Wasn't there also an agreement between Foreign Minister Ikeda and Foreign Minister Primakov to have a meeting of defense ministers? If so, was there any talk about when and where they are going to have the meeting?

A: Yes, as I said, there was an agreement that the defense ministries' bilaterals will commence. As for the timing, I am not aware of the exact timing for when it will be held.

VI. Matters pertaining to Japan-United States relations and Special Action on Facilities and Areas in Okinawa (SACO)

Q: There was a report from Kyodo this morning saying that — the Japanese Government official was unnamed — and it referred to a Special Action on Facilities and Areas in Okinawa (SACO) meeting yesterday, that it will be unlikely that there will be any progress on the Futenma issue in time for President Clinton's trip to Japan in April. Is the Foreign Ministry planning to consider sending maybe the Vice-Minister or even Foreign Minister Ikeda to Washington before Clinton's visit, considering how important the Futenma issue is to Okinawa?

A: I am not aware of any such idea of sending officials to Washington.

Q: You are going to proceed with the SACO caucus until President Clinton's visit?

A: Yes. Regarding the most recent SACO meeting, the fifth round was held in Washington on 21 March, in fact that was yesterday. At this meeting, the various items pertaining to the status of United States Forces Agreements have been reviewed, including the reduction of noise level and the provision of number plates to be attached to the vehicles used by the United States forces on the island. It was reconfirmed that they will continue their efforts to come to a conclusion on those issues, as much as they can, by the end of this month. Regarding the realignment, consolidation and reduction of the United States forces on Okinawa island, they continued their work, looking into the details of the various points at this moment. The next round will be scheduled again, but the timing will be discussed through diplomatic channels. Thank you very much.

Tokyo Banning Beef Imports From Northern Ireland

OW2603122896 Tokyo KYODO in English
1215 GMT 26 Mar 96

[FBIS Transcribed Text] Tokyo, March 26 KYODO — Japan's Health and Welfare Ministry decided Tuesday [26 March] to order food importers to stop importing beef from Northern Ireland after "mad cow" disease cases were reported there.

The ministry will issue an administrative order to importers to stop imports of beef from Northern Ireland through quarantine stations, ministry officials said.

About 1,500 cows have died in the province due to the affliction that some scientists fear might have links to a fatal human brain disease, according to the ministry.

Japan has been importing beef from Northern Ireland, but not from Britain.

The European Union on Monday imposed a total ban on beef imports from Britain, where millions of head of cattle may be slaughtered in a bid to prevent spread of the disease.

The British Government said last week that the disease may have passed into humans and infected 10 young adults with a new strain of a related illness called Creutzfeldt-Jakob Disease, a degenerative condition of the brain which is always fatal.

The disease can take more than a decade to emerge after initial infection.

Japan: Editorial Views Li's Victory in Taiwan Election

OW2603033596 Tokyo ASAHI SHIMBUN in Japanese 24 Mar 96 Morning Edition p 5

[Editorial: "President Li's Landslide Victory, Future of China-Taiwan Relations"]

[FBIS Translated Text] Taiwan held its presidential election under psychological pressure caused by China's military exercises, and incumbent President Li Teng-hui, endorsed by the Kuomintang [KMT], was elected with an overwhelming support.

What does President Li's victory signify?

First, the national leader was born in the first direct elections that have ever been held following the very inception of China. Despite some possible factors involving corruption and financial influence, the election was conducted practically with justice. The election can also be termed as the final process of Taiwan's democratization following the lifting of martial law in 1987.

Second, the outcome indicates that Taiwan's population has not succumbed to China's military threat. Since President Li visited the United States last year, China has denounced President Li as "a secret independentist." With its missile training, large-scale live fire exercises, and joint military exercises carried out during the campaign, China apparently hoped to reduce the number of votes that President Li would garner.

However, China's hard-line measures have met with strong opposition by the people both in Taiwan and in the international community. These measures have resulted in what might have been least expected: the public opinion calls for "getting united to protect President Li."

Third, the outcome clearly indicates what choice the eligible Taiwan voters made as regards the "future of Taiwan," the most important point at issue now.

Peng Ming-min, the candidate endorsed by the Democratic Progressive Party [DPP], the largest opposition party, has explicitly maintained that Taiwan should become an independent country. On the other hand, candidate Lin Yang-kang, who has left the KMT and is endorsed by the New Party, as well as candidate Chen Li-an, who has the support of religious elements, have advocated "unification," and criticized President Li.

In response, President Li called for "achieving unification in the future," and stated: "The top priority will be the promotion of peace and stability on both sides (of the Taiwan Strait). We can take time in achieving the three exchanges (in navigation, communications, and trade as proposed by China)."

After all, Taiwan's population has selected neither a hasty move toward independence or an abrupt inclination toward China;but rather, an orientation of improvement of the relations with China at a slow pace while maintaining the status quo.

In view of the election outcome, China will be forced to make a difficult choice. If China decides to intensify military pressure, it will run a risk of forcing President Li into "seeking independence," of allowing the "argument of threat coming from China" to gain momentum, and of becoming isolated in the international community.

And yet, if China should make an immediate shift in its policy and agree to hold talks with President Li, its national prestige will be affected. Moreover, the administration may come under fire by the military and hard liners at home and be denounced for adopting "a weak attitude."

From now on, it will also be difficult for Taiwan to promote its policy toward mainland China. If China should continue with its military pressure, the outflow of capital from Taiwan will continue and eventually bring about adverse effects throughout the economy.

According to Taiwan's statistics, investment in China by Taiwan reached 11,000 cases with a total amount of $5.6 billion as of 1995. However, based on the statistics compiled by China, investment nearly doubled. In this connection, contentious relations between China and Taiwan are disadvantageous to both sides.

What is most important in improving the relations between China and Taiwan lies in easing military tension across the Taiwan Strait. Above all, China should stop its military exercises and the United States should withdraw its fleet, thereby relieving tension across the strait. And it will be desirable to set a cooling-off period before the talks at the private-sector level between China and Taiwan could be resumed.

However, if many high-ranking officials or parliamentarians of various foreign countries should be invited to attend President Li's inauguration scheduled in May, it would probably arouse China's strong denunciation. It will be necessary for the international community, including Japan and the United States, to pay sufficient attention to this issue lest it should result in intensified confrontation between China and Taiwan.

In the joint Japan-China Statement, Japan has confirmed that "there is only one China," and in so doing, Japan has also confirmed that the People's Republic of China represents this China. Based on this, we would like to think about developing relations between Japan and Taiwan. We would like to reconfirm that Taiwan's future should be decided not by armed force but through peaceful talks between China and Taiwan.

Japan: Court Rejects Suit Over 'Colonial Rule' of Korea

OW2503061296 Tokyo KYODO in English 0331 GMT 25 Mar 96

[FBIS Transcribed Text] Tokyo, March 25 KYODO — - The Tokyo District Court on Monday [25 March] rejected a demand filed by South Korean lawyers of 10.6 billion yen in compensation and an apology from the Japanese Government for its colonial rule of the Korean peninsula from 1910 to 1945.

Presiding Judge Masateru Yokoyama rejected the claim saying there is no legal ground for the request.

The lawyers said Japan's annexation of Korea in 1910 was invalid because no legal procedures were taken.

They also said Japan inflicted heavy human and property damage on the people of Korea through forced labor and military conscription during its colonial rule which ended after World War II.

Japan: Air Services Pact Signed With Ethiopia

OW2503125296 Tokyo KYODO in English 1133 GMT 25 Mar 96

[FBIS Transcribed Text] Tokyo, March 25 KYODO — - Japan and Ethiopia signed a bilateral accord in Addis Ababa on Monday [25 March] on the opening of air routes between the two countries, the Foreign Ministry said.

The signing of the agreement came 14 years after Ethiopia first voiced hopes for such a civil air pact.

Japan decided in February last year to commence negotiations the African country for an accord, following the end of civil war in Ethiopia and progress in its democratization.

The pact will take effect after both countries ratify it and exchange diplomatic notes, the ministry said.

Japan: MOFA Press Release on Emergency Aid for Refugees

OW2603114996 (Internet) Japanese Ministry of Foreign Affairs WWW in English 22 Mar 96

[Press release by the Ministry of Foreign Affairs on 22 March; from the "What's New" link]

[FBIS Transcribed Text] **Emergency Aid for Refugees, Internally Displaced Persons, and Afflicted Persons in the Former Yugoslavia**

1. On March 22, the Government of Japan decided to contribute an emergency aid of $25,850,000 in total to the Office of the United Nations High Commissioner for Refugees (UNHCR) and other international organizations to support refugees, internally displaced persons and afflicted persons in the Former Yugoslavia. The breakdown of the assistance is as follows: 1. $22,500,000 to the UNHCR 2. $1,900,000 to the United Nations Children's Fund (UNICEF) 3. $850,000 to the World Health Organization (WHO) 4. $600,000 to the Office of the United Nations High Commissioner for Human Rights (UNHCHR)

2. Although conflict continued for about four years in the Former Yugoslavia from 1991, the country is now showing progress toward the establishment of peace after the Comprehensive Peace Agreement to the Conflict in the former Yugoslavia reached in Dayton in November last year and the Paris Peace Conference of December of the same year for the formal signing of the comprehensive peace agreement. For a permanent solution of this problem, however, it is necessary to extend humanitarian assistance for the protection and support of the conflict-afflicted persons who are in need of minimal assistance for survival, to implement human resources assistance for the return and resettlement of refugees and internally displaced persons, and to offer assistance for the rehabilitation and reconstruction of the devastated economy. Of these aids, in response to the United Nations consolidated inter-agency appeal for humanitarian assistance for a total of $823 million in March this year as operational expenses until December, the Japanese Government has decided on the present additional aid on top of the $19,320,000 emergency aid decided in December last year. It also decided on the 19th to extend a food aid (975 million yen for

flour procurement) through the World Food Programme (WFP) for refugees, displaced and afflicted persons, also in response to the U.N. consolidated inter-agency appeal.

3. The Government of Japan also intends to extend to the Government of Bosnia and Herzegovina a grant-in-aid (not-project aid) of 2,500 million yen to contribute to the reform of the country's economic structure and to the easing of its current economic difficulties including debt problems.

Japan: Hashimoto Offers More Aid for Former Yugoslavia Refugees

OW2603104996 Tokyo KYODO in English
0908 GMT 26 Mar 96

[FBIS Transcribed Text] Tokyo, March 26 KYODO — Prime Minister Ryutaro Hashimoto on Tuesday [26 March] promised more Japanese aid for refugees, including those in countries making up the former Yugoslavia, government officials said.

Hashimoto gave the commitment during a meeting in Tokyo with U.N. High Commissioner for Refugees Sadako Ogata.

Ogata visited the prime minister to thank him for Japan's assistance to the U.N. body for refugees.

Hashimoto and Ogata exchanged ideas on the situation in East European countries and on reform of the United Nations, the officials said.

Tokyo Offers Jordan 10.8-Billion-Yen Loan

OW2503123196 Tokyo KYODO in English
1022 GMT 25 Mar 96

[FBIS Transcribed Text] Tokyo, March 25 KYODO — - Japan has extended a low-interest loan of up to 10.8 billion yen to Jordan to help finance the building of a thermal power station, the Foreign Ministry announced Monday [25 March].

Documents on the yen-denominated official credit were exchanged between representatives of the two countries in Jordan's capital Amman earlier in the day, the ministry said.

The untied 30-year loan will have a grace period of 10 years and an interest rate of 2.7 percent per annum.

It will be used for second-phase construction of the power plant. Tokyo extended 4.7 billion yen for the first phase of the project in August 1994.

The ministry also said Japan grants up to about 1.2 billion yen for a project to improve waste disposal equipment in Jordan's rural areas, bringing the aggregate of Japanese grant aid to the country for fiscal 1995, ending March 31, to some 3.3 billion yen.

Japan: Government Adopts 11.6-Trillion-Yen 'Stopgap' Budget

OW2603011696 Tokyo KYODO in English
0047 GMT 26 Mar 96

[FBIS Transcribed Text] Tokyo, March 26 KYODO — The government of Prime Minister Ryutaro Hashimoto on Tuesday [26 March] decided on an 11,621.5 billion yen stopgap budget to keep the government going for 50 days in the absence of a full budget for fiscal 1996 that starts April 1.

The government made the decision at a cabinet meeting Tuesday morning and will submit the budget proposal to the Diet later in the day.

The largest-ever emergency budget, covering April 1 through May 20, includes 2,991.5 billion yen in public works spending, or 31.1 percent of the outlays set aside for public works in the main fiscal 1996 budget.

The large public works expenditures stem from concern that the protracted Diet stalemate over the liquidation of seven insolvent housing loan firms, known as "jusen," could have an adverse impact on the budding economic recovery, government officials said.

The Diet standoff between the ruling coalition and the largest opposition Shinshinto (New Frontier Party) focuses on a government plan to use 685 billion yen in taxpayers' money to help dissolve the jusen, now at the center of Japan's banking mess.

In compiling the stopgap budget plan, the government focused on public works projects to be implemented in cold regions and the Kobe area, devastated by a major earthquake in January 1995, they said.

The government is finding it hard to secure enough revenue to cover the stopgap budget because tax revenues are usually limited in the early days of a fiscal year. Government revenues are estimated at 3,761 billion yen.

Therefore, it will issue 7,860.5 billion yen of short-term securities to cover the balance, the officials said.

Meanwhile, the government set aside 9,328.6 billion yen for a provisional fiscal investment and loan program, known as the second budget.

Japan: Kubo Says 'Jusen' Should Stop Interest Payments

OW2603054596 Tokyo KYODO in English
0403 GMT 26 Mar 96

[FBIS Transcribed Text] Tokyo, March 26 KYODO — Finance Minister Wataru Kubo said Tuesday [26

March] that seven ailing "jusen" mortgage companies should stop interest payments to their major creditors, thus reducing their losses and the drain on taxpayers' resources to liquidate the firms.

If the mortgage companies stop interest payments to agricultural financial institutions, it would reduce a total of 6.41 trillion yen in losses expected for the jusen companies at the time of their liquidation, Kubo said at a press conference.

"Under the government's liquidation scheme for the mortgage companies, they should return (the difference between the estimated losses and the actual amount) to the national coffers," he said.

The seven mortgage companies, which are saddled with huge problem loans, will be liquidated with the help of taxpayers' money.

Under a rehabilitation plan mapped out in 1993 by their founder and creditor banks, the mortgage companies are scheduled to pay about 60 billion yen in interest to agricultural financial institutions in the January-March period.

Kubo said the rehabilitation plan should be considered as being scrapped with last December's adoption of the government-proposed liquidation plan.

However, he added that the ministry is not in a position to force the mortgage companies to stop interest payments. Instead, the issue should be settled between the companies and creditor institutions, he said.

He also said he hopes the fiscal 1996 budget, which contains spending of 685 billion yen for the mortgage companies' liquidation, will be adopted at the Diet at an early date.

Kubo was commenting on the resumption of Diet debate on the budget for the fiscal year that starts April 1.

The ruling coalition and opposition parties agreed Monday to end their three-week-old stalemate and resume Diet deliberations on the budget, prompting a halt to the opposition blockade of a key parliamentary committee room.

Due to the delay in the parliamentary debate, the government on Tuesday adopted for submission to the Diet a stopgap fiscal 1996 budget of 11.6 trillion yen, to be valid for 50 days.

Japan: Farm Cooperative Unions Settle for No Pay Scale Hike

OW2603105496 Tokyo KYODO in English 0851 GMT 26 Mar 96

[FBIS Transcribed Text] Tokyo, March 26 KYODO — - Three groups of agricultural cooperatives have settled wage hike talks with workers this year without raising pay scales for the first time due to the heavy burden over the liquidation of housing loan companies, officials said Tuesday [26 March].

They agreed only on a set yearly pay hike, the officials said.

The agreement was reached by the National Federation of Agricultural Associations (Zenno), the Central Union of Agricultural Cooperatives (Zenchu) and the National Mutual Insurance Federation of Agricultural Cooperatives (Zenkyoren).

Financial institutions affiliated with agricultural cooperatives have agreed to give up claims on 530 billion yen worth of loans to seven failed housing loan companies under a government liquidation scheme.

The officials said Zenkyoren and about 20 financial institutions affiliated with prefectural agricultural cooperatives are expected to turn into the red in fiscal 1995 due to the financial burden.

Japan: Housing Loan Service Founding Banks Not To Give Up Loans

OW2603000496 Tokyo KYODO in English 2309 GMT 25 Mar 96

[FBIS Transcribed Text] Tokyo, March 26 KYODO — The commercial banks that founded the bankrupt Housing Loan Service Co. will opt for taxable write-offs of loans to the mortgage loan firm rather than relinquish them for tax-free write-offs, banking sources said Tuesday [26 March].

Dai-Ichi Kangyo, Sumitomo, Mitsubishi, Asahi, Sakura and Tokai banks, six of the seven founders of Housing Loan Service, have decided to set aside loan-loss reserves in the current business year through March 31 to cover expected losses after the mortgage firm's liquidation, the sources said.

The remaining founder, Fuji Bank, had already decided to take a similar step.

These founding banks will refuse to give up claims to their loans to the mortgage company, reflecting fears of possible lawsuits by shareholders, the sources said.

A government scheme to liquidate the seven failed housing loan companies known as "jusen" calls for their founders to relinquish their jusen-bound loans.

The latest move by the founders of housing loan service was apparently prompted by an expected decision by tax authorities not to allow tax-free write-offs of bank loans to jusen firms.

The Finance Ministry has said it would allow banks to write off their jusen loans tax-free only if all of the banks that founded the seven loan companies gave up their loan claims in the current year, in line with the government scheme.

Regional banks have decided to abandon all of their loans to housing lenders in line with the government plan.

But other founding banks like Fuji Bank have already shown reluctance toward the government scheme, making it difficult for the Finance Ministry to accept tax-free write-offs of jusen loans by the banks, the sources said.

The government plan calls for the seven founders of housing loan service to give up a combined 40 billion yen in loans to the mortgage company.

Including loans to other housing loan firms in which they have no stake, the seven banks plan to set aside a total of 50 billion yen in loan-loss reserves for the current year, the sources said.

In view of the new tax burden under the write-off, some of the seven banks may revise their fiscal 1995 earnings projections downward, the sources said.

The founders of Nippon Housing Loan Co. are also tilting toward taxable write-offs of their loans to the company, the sources said.

Japan: Deposit Insurance Firm Decides To Quadruple Rate

OW2603104596 Tokyo KYODO in English 0853 GMT 26 Mar 96

[FBIS Transcribed Text] Tokyo, March 26 KYODO — Deposit Insurance Corp. on Tuesday [26 March] decided to raise the rate of insurance premiums paid by member financial institutions from the current 0.012 percent to 0.048 percent of their outstanding deposits, officials said.

The decision is based on recommendations by the Financial System Research Council, an advisory panel to the finance minister, late last year to cope with increasing financial failures, the officials said.

The raise is expected to increase the corporation's annual premium revenues to some 270 billion yen from about 67 billion yen in fiscal 1995 that ends March 31.

They said the new rate is scheduled to take effect in fiscal 1996 pending approval by the finance minister.

Deposit Insurance Corp. is expected to see the balance of its mandatory reserves decrease to less than 400 billion yen at the end of this month from 876 billion yen a year earlier because of its financial support for three financial institutions including Midori Bank, which has taken over operations from bankrupt Hyogo Bank.

The corporation is already scheduled to provide huge financial support for Kizu Credit Union and Osaka Credit Union, both failed financial companies, in fiscal 1996.

Japan: Panel Decides on Committees To Promote Economic Reform

OW2503125496 Tokyo KYODO in English 1216 GMT 25 Mar 96

[FBIS Transcribed Text] Tokyo, March 25 KYODO — An advisory panel to the prime minister decided Monday [25 March] to set up two committees with the aim of promoting Japan's economic structural reform, officials said.

The decision by the Economic Council at its general assembly is in line with a package of plans the panel adopted last December to reform Japan's economic structure, the officials said.

One of the new committees will analyze the extent of plan implementation while the other will issue a report in November on advances in Japan's economic reform.

Addressing the meeting, Prime Minister Ryutaro Hashimoto said Japan's economic reform should be promoted by combining the four areas of deregulation, decentralization, review of the central government's roles and relocation of the capital.

Hashimoto asked Shoichiro Toyoda, chairman of the influential Federation of Economic Organizations (Keidanren) and head of the council, to make necessary arrangements with the administrative reform committee and other concerned organizations.

Japan: EPA Head Urges Deregulation To Spur Economic Recovery

OW2603054796 Tokyo KYODO in English 0353 GMT 26 Mar 96

[FBIS Transcribed Text] Tokyo, March 26 KYODO — - The government should make utmost efforts toward further deregulation to back Japan's economic recovery, the head of the Economic Planning Agency (EPA) said Tuesday [26 March].

"The economy needs one more push, though it is recovering fairly well," EPA Director General Shusei Tanaka told a press conference, adding, "deregulation will be a key to a full-scale economic recovery."

"I'll ask each government ministry and agency to make last-ditch efforts," Tanaka said, referring to the government's deregulation promotion program, the revised version of which is supposed to be worked out by the end of this month.

Tanaka stressed the importance of taking action now that will be effective on the economic trend, and not waiting until next year or the year after next.

Japan: Ministry Considering Easing Employment Insurance Rules

OW2503122996 Tokyo KYODO in English
1047 GMT 25 Mar 96

[FBIS Transcribed Text] Tokyo, March 25 KYODO — The Labor Ministry plans to ease regulations on employment insurance payments to unemployed workers finding new jobs on their own in a move to encourage job hunting, ministry officials said Monday [25 March].

The officials said reemployment allowances will be paid to those who start self-employed businesses after becoming unemployed and restrictions will be eased on payment of jobless allowances for those who quit jobs by their own choice.

Under the existing Employment Insurance Law, jobless workers who start self-employed business are not eligible for government allowances, while unemployment allowances are in principle withheld for three months for those who quit work of their own will.

However, allowances are paid for the first two months of the three-month period to those who find jobs without the help of the Public Employment Security Office.

The officials said that under a revised law to be enacted soon after the fiscal 1996 budget is passed by the Diet, allowances will be paid to the self-employed and the restrictive period will be cut to one month.

Under the present law, unemployed workers who find new jobs within a certain period are awarded basic allowances equivalent to 30 to 120 days.

The ministry hopes the measures will help improve the employment environment and encourage unemployed workers to make efforts to find new jobs, they said.

The number of jobless workers hit a record high of 2.3 million in January.

Japan: Panel Endorses Plan To Cut Pork Prices

OW2603122796 Tokyo KYODO in English
1156 GMT 26 Mar 96

[FBIS Transcribed Text] Tokyo, March 26 KYODO — - A government advisory panel Tuesday [26 March] endorsed a Farm Ministry plan to cut the floor price for pork for fiscal 1996, the first reduction in seven years, ministry officials said.

The endorsement was given by the Livestock Industry Promotion Council, an advisory body to Agriculture, Forestry and Fisheries Minister Ichizo Ohara.

According to the officials, the floor price will be lowered to 390 yen per kilogram from the present 400 yen, with the idea being to stabilize prices.

In addition, the plan calls for cutting the ceiling price for pork to 515 yen per kg from 525 yen.

Also included in the plan are floor and ceiling prices for beef, the officials said.

The ceiling price for beef will be pared down to 1,070 yen per kg from 1,100 yen, and the floor price to 820 yen per kg from 840 yen.

Under the floor and ceiling price system, Livestock Industry Promotion Corp. buys meat to support market prices when they fall below the floor price and releases the meat when market prices recover.

For fiscal 1996, the ministry plans to leave the yardstick for tapping its fund for market supportive purchases at the current 400 yen, thus farmers' income from pork will be sustained, the officials said.

Japan: FY95 Crude Steel Output Expected To Fall

OW2503102496 Tokyo KYODO in English
0951 GMT 25 Mar 96

[FBIS Transcribed Text] Tokyo, March 25 KYODO — Japan's crude steel production for fiscal 1995 is expected to fall 1.4 percent from the previous year to 99.91 million tons, slipping below the 100 million ton level for the first time in two years, the Ministry of International Trade and Industry said Monday [25 March].

As for prospects for the first quarter of fiscal 1996 which starts April 1, crude steel output is forecast to decline 7.9 percent from a year before to 24.35 million tons, the ministry said.

"The declines are due chiefly to decreased production by steelmakers in response to the overstock in inventories they have piled up in the first half of last year," a ministry official said.

Domestic consumption of steel products in the April-June period is expected to rise 1.6 percent to 16.45 million tons, the ministry said.

Consumption by the manufacturing sector is forecast to inch down 0.3 percent during the three-month period.

By industry, consumption by automakers is expected to fall 3.4 percent due to a fall in auto exports to north America while that by the construction industry is likely to gain 3.6 percent on an expected increase in public projects, the ministry said.

Japan: MITI Forecasts Drop in Demand for Specialty Steel

OW2203133396 Tokyo KYODO in English 1307 GMT 22 Mar 96

[FBIS Transcribed Text] Tokyo, March 22 KYODO —- Domestic demand for specialty steel is expected to total 11.75 million tons in fiscal 1996 beginning April 1, down 0.7 percent from the previous year, the Ministry of International Trade and Industry (MITI) reported Friday [22 March].

Falling automobile production will affect demand for some specialty steel products because the auto sector accounts for a large part of such demand, the trade ministry explained.

MITI forecasts demand for the April-June quarter to fall 10.5 percent from the same period a year before to 2.84 million tons. Domestic and external demand is likely to total a combined 3.72 million tons, down 12.3 percent, the ministry said.

For fiscal 1995, domestic sales and exports are estimated to reach a total of 15.82 million tons, up 2.0 percent from the previous year, according to the ministry.

Japan: DA Assigns Ishikawajima-Harima To Develop Aircraft Engine

OW2603130896 Tokyo NIHON KEIZAI SHIMBUN Evening Edition in Japanese 25 Mar 96 p 1

[FBIS Translated Text] The Defense Agency [DA] has designated Ishikawajima-Harima Heavy Industries Co. as the enterprise responsible for the trial-manufacturing of an aircraft engine. The validation research, which started FY95, aims at acquiring engine technology that can be applied to the development of future aircraft. A turbofan engine with a five-ton propulsion power system will be developed hopefully by 2001. In its new Mid-Term Defense Buildup Program scheduled to start in FY96, the DA plans to study the next-generation aircraft to replace the "P-3C" anti-submarine patrol aircraft and the "C-1" transport aircraft. If it is determined that the aircraft will be manufactured domestically, there is a great possibility that the validated engine will be used.

The total research cost is estimated to reach approximately 20 billion yen. The DA plans to set aside funds for the designing and manufacturing of certain parts in the budget for FY95. The trial-manufactured engine will be tested at the facility for research on air propulsion, which is now under construction in Higashi Chitose, Hokkaido.

The DA has no plans to mass-manufacture the trial-manufactured engine. However, the engine will be used in the development of future aircraft for the DA.

Japan: FHI Executive Comments on Aerospace Developments

OW2603113296 Tokyo WING in Japanese 28 Feb 96 pp 4-5

[Unattributed interview with Koichi Wada, Deputy Director General and General Manager, 3d Engineering Department of Utsunomiya Works, Fuji Heavy Industries, Ltd.: "Efforts for Maintaining Technology Useful in Time of Need; Expectations for P-3, C-1 and AH-1 Successors; Refining Technology Through Unmanned Aerial Vehicles; Flight Test of Bearingless Rotor To Be Held Soon"]

[FBIS Translated Text]**Aspirations**

[WING] What is your ambition now that you have assumed the post of the Deputy Director General of the Utsunomiya Works?

[Wada] In June 1995, I assumed the post of Deputy Director General to supervise the general technology of this plant while I continue to be the General Manager of the 3d Engineering Dept.

Defense demand has tended to decrease and civilian aircraft demand will not easily start to recover, but I do not think that the field of R&D will not stagnate for ever. There will be a time when the aircraft industry is required more than at present. Thus I will continue my study into the fundamental technology of the defense industry so that I can serve it when I am so requested.

In the world of engineering/technology, it is not possible to establish the foundations in a single day. Simulation technology has advanced recently and the world on paper or on a computer is expanding. But, without the technology required for the actual fabrication of products, it is not possible to train engineers. I hope to make efforts so that I can help provide aircraft for the people's defense and the space field which are national demands. Although the front-line defense budget is decreasing, defense equipment must sooner or later be updated. Along the policy guidelines of the new National Defense Program Outline to compensate for the decrease in the number of persons with the improvement in equipment quality, we will strive to be capable of providing technical support.

We expect much from research-purpose trial production by the Defense Agency because this will make it possible to develop new technology. According to the new Mid-Term Defense Program [MTDP], emphasis will be put on technical demonstration type research and trial production, though this may not directly lead to actual equipment. We hope to be involved in such research and trial production so that it can serve as a springboard for the improvement our own technical competence.

Naturally, we need to have certain technical level so that we can help in the research-purpose trial production, so we are also conducting research by spending the company's own budget.

Priority of Engineering Departments, Measures for Expected Future Projects

[WING] What are the priority projects of your engineering departments?

[Wada] We regard almost all to be priority projects. It is one of the characteristics of Fuji Heavy Industries [FHI] that the engineering departments are relatively small but handle a very large number of projects.

[WING] Will you start with explaining the fixed-wing aircraft which belong to the defense demand?

[Wada] First, with next support fighter F-2 (FS-X), a considerable number of our engineers are participating in the support of governmental testing in forms such as the temporary assignment of personnel. In FY1996, technical works related to mass production and the mass-product design will start.

On the other hand, with the modified US-1A maritime search and rescue aircraft, the initial development of which is included in the FY96 budget bill, we are responsible for manufacturing the main blades and tail of the previous model. We are thus capable of comparison with the PS-1, which was designed 30 years ago, and we are making preparations thinking that it will be useful to reduce the structural weight if we can incorporate the results of technical progress after 30 years in such areas as composite materials. Personally, the first drawing I plotted when I entered FHI was a drawing of the PX-S, the prototype of the PS-1. I think that I may be one of the persons who has been involved in the PS-1/US-1 project for the longest time. The Air Self-Defense Force's [ASDF] T-3 basic trainer is going to need updating, considering its life expectancy. We will make a proposal for upgrade at government request. I think that this project should be completed in a very short period of time.

With imported aircraft, we are appointed as the servicing firm of the U-125 flight check aircraft and the U-125A search and rescue aircraft. We have to pay prudent attention in technical preparations for their periodical servicing.

As for the long term, the MTDP set at the end of 1995 says "studies will be made and necessary measures be taken" for the successors to the P-3C and C-1. We hope to assist the Defense Agency from the technical aspect in its considerations.

[WING] How about the rotary-blade aircraft in the defense demand?

[Wada] We will deliver 38 UH-1J craft by the end of FY95. When the results of operations are available in the future, it is also necessary for us to conduct necessary activities including the study of necessary improvements. With the OH-X, the trial units allotted to us have already been manufactured. To support the official engineering tests, we have dispatched support personnel to the Third Research Center of the Technical Research and Development Institute [TRDI].

Concerning the next antitank helicopter, we think that a successor to the AH-1S will be necessary sooner or later and, to make our preparations doubly sure, we are studying in-house how to make it technically suitable for Japanese operation planning. We expect that our study will bear some fruit in a few years.

In the long term, we may have to consider the 5-ton class, multipurpose helicopter to succeed the UH-1J. As it takes 10 years or more for development, we have started to study technical topics related to future medium-size helicopters, for example how to reduce the burden on the pilot or how a helicopter can be made more safe and easier to use. Our study also includes helicopters in the civilian market.

[WING] Your defense projects also include unmanned aerial vehicles [UAV], into which you personally made much R&D effort over many years as the General Manager of the 3rd Engineering Dept.

[Wada] Practical testing by the Ground Self-Defense Force's [GSDF] equipment development unit began in February for the FFOS remote-controlled observation system for GSDF. I understand that this is going smoothly. This system is used to observe targets using an unmanned helicopter featuring largely automated handling. We are supporting the practical tests made after the engineering tests by the TRDI. We hope that favorable results will be obtained and that this will lead to mass production.

Next, regarding the VTOL/UAV [vertical takeoff and landing/unmanned aerial vehicle] for which we are subcontractors assigned to the research and trial production under TRDI's Third Research Center the research into the VTOL/UAV has been conducted and testing with a jet-engine model will start in FY1996.

We are also proceeding with the basic design of a multipurpose UAV to which we have just agreed in a contract with TRDI. This aims at research and trial production of a UAV that can be used for multiple applications, including reconnaissance.

As an extension of previous research, we have started research into a target drone with improved dynamic performance for use in testing the XAAM-4 air-to-air missile [AAM].

Another item in the defense demand are simulators. We already completed the development of the maneuvering training system for the T-5 and are now developing a simulator for the U-125A. This includes a simulator for the operator as well as one for the search and rescue personnel.

[WING] How about civilian and space demand?

[Wada] Concerning space demand, we are responsible for the fuselage integration of the ALFLEX (Automatic Landing Flight Experiment); testing is scheduled soon in Australia. With the HYFLEX (Hypersonic Flight Experiment), which was launched recently for a reentry flight experiment, we were responsible for the heat-resistant tiles at the front of the fuselage. For the HOPE-X to follow this, we have send about 10 persons to the design team started in December 1995 and are also conducting in-house testing related to the structure and materials. We hope to lead this project to success by concentrating the results of our long years of research.

As for the civilian aircraft, the YS-X has been studied under the leadership of the Japan Aircraft Development Corporation [JADC]. We are continuing rigorous study on how to ensure reduced costs from the design stage, for this is important regardless of the companies with which we cooperate in the future.

Concerning the SST (Supersonic Transport), we are participating in a joint study by eight firms from different countries through the JAI. The National Aerospace Laboratory [NAL] announced an experimental aircraft plan. We are participating in many aspects of the research, including aerodynamics, structures, and materials. Since it will be the biggest project in the 21st century, we will continue research into technical topics on how to make light, heat-resistant, and low-cost structures by cooperating with the Ministry of International Trade and Industry [MITI], JADC, and NAL.

[WING] How about helicopters for the civilian demand?

[Wada] In December 1995, the 205-B obtained an approval certificate from the Ministry of Transport's [MOT] Civil Aviation Bureau. We did not stop there but are continuing research into a 5-ton class medium-sized helicopter. For a long time, we have been researching bearingless rotors in-house to reduce noise and improve serviceability by reducing the parts count. We will start flight demonstration testing soon.

We also started the in-house flight testing of the unmanned helicopter RPH-2 for civilian demand. It combines technologies and parts from other FHI divisions aiming at cost reduction. The engine is a general-purpose piston engine and the weight on board that can be carried is more than 10 times more than existing industrial radio-controlled helicopters. We are planning to supply it for use in agricultural chemical spraying. It will be more effective than manned helicopters because of such advantages as lower flight altitude and narrower chemical spreading range. We would also like to make its handling easier and take it into mass production. I think that the RPH-2 can also be used for such multiple functions as volcano observation, fire prevention, and rescue.

[WING] Apart from projects, what from the viewpoint of element technologies are the critical points?

[Wada] Our company's characteristic in regard to aerospace technology is the application of composite material technology to defense, civilian, and general civilian demand. We have accumulated research in this from a rather early period, conducting research in such applied products as those for automobile parts and rail cars. Also, we are also working on forming technology and the upgrading of our facilities.

Development, Expansion of UAV Technology

[WING] It appears that the same can be said of UAV technology, right?

[Wada] We have spoken about each project, but FHI has studied quit a bit regarding the development of UAVs. There are many cases in which the scope of technical requirements are broader for UAVs than for manned aircraft. Such things as fuselages, avionics, sensors, communications and data links, and navigation equipment are indispensable components. Experience in systems integration is extremely important for this. Furthermore, compared to systems used on the ground, higher reliability is required. Putting together in a packed, limited space and with payload that would heighten tediousness in a manned aircraft is a matter of accumulating a high degree of know-how.

Flying something in which a person does not ride means developing computer software on a larger scale (there are more steps) than for manned aircraft.

Regarding uses as well, various uses can be considered that make use of UAV characteristics. I would like to plan for the expansion into the civilian sector of defense projects here. FHI has been conducting research on something not yet developed: UAV to conduct wide-area reconnaissance at high altitude while staying aloft for a long time.

Speaking of UAV operating in the air, we can also consider applying our technology to such items as unmanned vehicles to operate on the ground and in the water. I would like to have sustained development of unmanned vehicle technology.

Japan: Panel Asks International Levy on CO_2 Defaulters

OW2503123096 Tokyo KYODO in English 1044 GMT 25 Mar 96

[FBIS Transcribed Text] Tokyo, March 25 KYODO — An international protocol drafted by a Japanese Government panel would mandate a system of levies against countries which fail to achieve targets for carbon dioxide emission reductions from the year 2000, Environment Agency officials said Monday [25 March].

The officials said this and other proposals in the draft, prepared by an agency-commissioned panel of legal experts, are likely to form the basis of the agency's own proposal for a protocol for submission at a July meeting of parties to the framework convention on climate change.

As one outcome of the 1992 United Nations-sponsored earth summit in Rio de Janeiro, Brazil, the convention aims to reduce total global emissions of carbon dioxide, the gas scientists blame for global warming.

But that summit only set goals for carbon dioxide reductions up to the year 2000, so parties to the convention are currently negotiating a new protocol aimed at further cutting carbon dioxide emissions.

Under the draft, advanced countries would undertake to reduce their overall emissions of the gas below 1990 levels over a set period at a fixed rate starting in 2000.

Those countries which achieve greater reductions than promised could accrue credit for the extra reductions and could even "save" the extra cuts for future reductions or transfer their additional credit to other countries.

But where a country does not keep its promise, it would pay a levy to an international body.

The onus for paying the levy would in principle be passed on by the government of each country to domestic polluters blamed for emitting the carbon dioxide.

Funds gathered from the levies would subsidize the development of technology, assist developing countries and help raise forests that act as carbon dioxide "sponges."

The period over which the reductions are to be achieved, their extent, and the size of the levies would all be decided through international negotiations.

Takehisa Awaji, a professor of law at Rikkyo University in Tokyo and who is a key member of the panel, said the main point of the draft is that it stipulates reductions on the part of each country and motivates them to create their own reduction policies.

"I think it ought to be possible for each country to agree to this draft depending on the numerical targets," he said.

North Korea

DPRK: Arrival of KEDO Delegation in Pyongyang Reported

SK2603132196 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 26 Mar 96

[FBIS Translated Text] A delegation of the Korean Peninsula Energy Development Organization [KEDO], led by Executive Director Stephen Bosworth, arrived in our country on 26 March to visit the site of the light-water reactors.

KEDO was organized under the leadership of the United States in a bid to implement its obligation to provide us with light-water reactors under the DPRK-U.S. agreed framework. It signed an agreement with the DPRK on providing light-water reactors on 15 December 1995, and is now pushing ahead with the implementation of the agreement.

Functionaries of sectors concerned received the KEDO delegation.

DPRK: ROK Students Vow To Struggle Against U.S., Kim Yong-sam

SK2403082296 Pyongyang KCNA in English 0809 GMT 24 Mar 96

[FBIS Transcribed Text] Pyongyang, March 24 (KCNA) — The meeting of the fourth-term deputies to the South Korean Federation of General University Councils (Hanchongnyon) held a few days ago in South Korean Kangwon Province has reportedly laid stress on vigorously waging the anti-American struggle and the struggle for overthrowing Kim Yong-sam to build a unified country through confederation, defend national sovereignty and achieve democracy.

The meeting adopted a general line on orientation of activities of the fourth-term "Hanchongnyon" and outlined the orientation of the "April 11 general election" struggle.

The documents, adopted at the meeting, branded the Kim Yong-sam "regime", that has come into being through alliance with forces of the "Fifth and Sixth Republics", as a most anti-national, anti-popular and anti-reunification one outstripping the military dictatorship.

They expressed the resolution to turn the forthcoming "general election" into a court for trial of the "civilian government".

Adopted at the meeting were special resolutions, which include a resolution on general strike on March 27 (one million-student general strike for making Kim Yong-sam open to the public the "presidential election fund" and for securing educational spendings), a resolution on crushing inspections of universities and the "security-oriented" crackdown and a resolution on anti-American struggle denouncing the U.S. involvement in the Kwangju massacre and its war maneuverings.

A student Chong Myong-ki, chairman of the General Student Council of Chonnam National University, was elected chairman of the fourth-term Hanchongnyon.

DPRK: ROK Urged To Stop "Hoguk 96" Military Drill

SK2603030596 Pyongyang KCNA in English 0243 GMT 26 Mar 96

[FBIS Transcribed Text] Pyongyang, March 26 (KCNA) — The Joint Chiefs of Staff of the South Korean puppet army announced that a provocative military drill codenamed Hoguk 96 will be staged with the mobilization of ground, Naval and Air Forces for six days beginning March 28, according to a news report.

Earlier, the South Korean puppets carried out a joint exercise of civilians, officials and troops under the imaginary condition of a real war in Kyonggi Province on March 22. This goes to show that the Kim Yong-sam group's war preparations, which may plunge the fellow countrymen into a war holocaust, have become all the more dangerous.

Kim Yong-sam is now suffering from the worst ruling crisis ever since he took power.

His "New Korea Party", which sustained a defeat in last year's "local self-government election", stands no chance of winning a majority in the puppet National Assembly election slated for April.

The traitor Kim Yong-sam, who has been accused of his involvement in the slush fund scandal, manipulated formal "trials" of Chon Tu- hwan and No Tae-u in the hope of evading public protest. But it has enkindled the anti-Kim Yong-sam struggle among the people.

Upset by this, his group are trying to save the situation by creating a horrible atmosphere of war throughout South Korea.

They, in a bid to divert public attention elsewhere and emerge from the crisis, have staged military drills one after another in the sky and on the ground and sea almost every day. But their foolish attempt cannot give them a way out.

We are closely watching the reckless military moves of the Kim Yong-sam group.

DPRK: 22 Mar Military Maneuvers in ROK Denounced

SK2503043496 Pyongyang KCNA in English 0321 GMT 25 Mar 96

[FBIS Transcribed Text] Pyongyang, March 25 (KCNA) — The South Korean puppets held a "joint exercise of civilians, officials and troops" in Kyonggi Province on March 22, a Seoul-based radio reported.

The provocative exercise was staged allegedly to strengthen the "comprehensive defence system to defend the capital in case of emergency." Puppet ground force units, police and officials of major facilities were mobilised in the exercise, which included a "drill against enemy's infiltration."

Especially, they drove armored vehicles of the puppet army into the operation area as part of a mobile exercise, inciting anti- communism and making a fuss about "infiltration" from the North.

The exercise was part of the criminal war preparations against the North the Kim Yong-sam group are stepping up in collusion with the U.S. imperialists on the pretext of "military threat from the North."

DPRK: Fourth Meeting of Pomchonghangnyon Executive Committee Held

SK2503043296 Pyongyang KCNA in English 0319 GMT 25 Mar 96

[FBIS Transcribed Text] Pyongyang, March 25 (KCNA) — The fourth meeting of the Executive Committee of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghangnyon) was held over March 15-17.

Attending the meeting were members of the secretariats of the North and South sides and the Overseas Headquarters and the Joint Secretariat of Pomchonghangnyon.

They reviewed the Pomchonghangnyon's reunification movement last year in which the grand national reunification festival took place in celebration of the 50th anniversary of the liberation of Korea. They also discussed tasks of the reunification movement for 1996 and ways of achieving peace and great national unity by the concerted efforts of youth and students in the North, South and overseas.

A "Special Resolution of the Fourth Meeting of the Pomchonghangnyon Executive Committee" was adopted at the meeting as a joint document together with a final agreement.

The resolution said that youth and students in the North, South and overseas will exert all their energy and wisdom in the struggle to crush the manoeuvrings of the U.S. imperialists and the Kim Yong- sam "government" for war confrontation and permanent division of the nation. And they will hold a joint rally of Pomchonghangnyon simultaneously in different parts of all Korea, in protest against the U.S. involvement in the Kwangju massacre and war exercises, it added.

It also declared that a joint planting of trees by Pomchonghangnyon will be conducted in different areas of the country around April 5 in the hope of seeing national reunification through confederation. A Pomchonghangnyon soccer tournament will be held over May 23-24 at the place where the inaugural ceremony of the South Korean Federation of University Student Councils took place, and various solidarity and joint struggles will be staged by youth and students in the North, South and overseas to this end, the resolution said.

It said that a joint Presidium meeting of Pomchonghangnyon will be convened on April 20 to harden the determination of the youth and students in the North, South and overseas for a joint solidarity struggle.

DPRK: SKNDF Letter Urges Defeating NKP in ROK Election

SK2503104096 Pyongyang KCNA in English 1016 GMT 25 Mar 96

[FBIS Transcribed Text] Pyongyang, March 25 (KCNA) — The Central Committee of the National Democratic Front of South Korea (NDFSK) [SKNDF] sent an open letter to all the people on March 20 with the 15th "general election" at hand in South Korea, Seoul-based radio Voice of National Salvation reported.

The forthcoming "election" will be an acute confrontation between democracy and fascism and also a historic watershed decisive of the destiny of the "civilian" fascism and democracy, the letter said, and continued:

The final goal we pursue in the "election" is to defeat the "New Korea Party" (NKP), prevent the "civilian" dictators from remaining in power, liquidate corrupt administration and establish a clean climate of democratic politics.

Through the "election" our people should seek to do away with such evil practices as meeting and parting of the pro-U.S. conservative group and its sharing of power and provide foundations of new democratic politics.

Only then, is it possible to build up political forces of the people, which the national democratic forces want, and establish an independent government of the people. The "election" will be a struggle between the progressive and the conservative and between the new and the old and, at the same time, a struggle for the change of power in 1997.

Saying the judgement of Kim Yong-sam is a primary task in the struggle for the "election," the letter called on the people to use the "election" as an opportunity of ousting Kim Yong-sam with the demand for the disclosure of the 1992 "presidential election" fund and the punishment of all the murderers of Kwangju people.

It also called for defeating the "NKP", collapsing the foundations of the "civilian" dictatorship and frustrating U.S. interference in the "election" and in the internal affairs of South Korea.

It appealed to the people to launch various kinds of powerful mass movements to make a breakthrough for the people's victory in the "election." Let us successfully conclude the ongoing spring struggle for wage hike and expand and develop the movement for independence, democracy and reunification, it said.

The letter called on the people to destroy the "NKP", win the "election" at any cost and promote independence, democracy and reunification.

DPRK: ROK Workers Vow To Fight 'Suppression' of Unions

SK2503043396 Pyongyang KCNA in English 0325 GMT 25 Mar 96

[FBIS Transcribed Text] Pyongyang, March 25 (KCNA) — Some 20,000 South Korean workers from 120 trade unions of public establishments including the Seoul subway company met in Seoul on March 23, vowing to smash the Kim Yong-sam group's suppression of trade unions and win the 1996 struggle for wage hike, according to a news report.

They voiced anger at the "civilian" fascist clique's desperate moves to disintegrate trade unions and strongly urged them to stop such moves.

Resolved to win this year's struggle for wage hike, they urged the authorities to abolish the anti-people wage system and reinstate all the dismissed workers.

On the same day, a rally was held in Seoul under the sponsorship of the National Alliance for Democracy and Reunification (Chongukyonhap) with the attendance of more than 3,000 citizens and students from six cities.

In a resolution Chongukyonhap said all the evil laws and reactionary systems which were made in the period of the "Fifth and Sixth Republics" should be removed for genuine democratic reforms.

That day, the Pusan Citizens' Measure Committee for the Liquidation of the Legacies From the "Fifth and Sixth Republics" and the Restoration of People's Rights held a meeting, demanding U.S. open apology for its behind-the-scene manipulation of the Kwangju bloodbath and urging Kim Yong-sam to make public the "presidential election" fund.

Earlier, on March 22, members of the headquarters of the movement for the elimination of GIs' crimes staged a demonstration calling for an oveall rewriting of the South Korea-U.S. "Status of Forces Agreement".

An estimated 500 students affiliated with the Seoul District Federation of University Student Councils also staged a demonstration in the city demanding the cancellation of the bill on registration fee hike.

DPRK: Creation of Metal Workers Unions Federation in ROK Noted

SK2303151196 Pyongyang KCNA in English 1502 GMT 23 Mar 96

[FBIS Transcribed Text] Pyongyang, March 23 (KCNA) — The National Federation of Democratic Metal Workers Unions (Mingumnyon), an organization under the General Federation of Democratic Labour Unions (Minnochong), was reportedly organized in South Korea. Tan Pyong-ho was elected first chairman of the federation, which includes about 71,000 members of 114 labour unions across South Korea.

It will struggle for wage hike, shortening of working hours and ensuring of independent activities of labour unions and will help cement Minnochong so as to play a pivotal role in the labour movement.

DPRK Paper on 'Irregularities' of ROK Presidential Aide

SK2403084996 Pyongyang KCNA in English 0827 GMT 24 Mar 96

["NODONG SINMUN on Irregularities of Kim Yong-sam's Secretary" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 24 (KCNA) — NODONG SINMUN today comments on the recently disclosed irregularities of Chang Hak-no, who has served Kim Yong-sam as his confidential secretary for some 20 years.

His illegally acquired wealth which has been disclosed until now reportedly amounts to more than 3,720 million won, the daily says, and continues:

Seized with uneasiness over the fact, the traitor Kim Yong-sam unprecedentedly ordered the prosecution to "make an immediate strict investigation into his irregularities" and "detain" him. By doing so, the traitor tried to show himself having nothing to do with the case. But this is only a preemptive measure to cover up his true color as the kingpin of thieves, keep the case from being revealed any more and thus evade public protest.

It is natural that the South Korean people have come to a conclusion that if South Korean society is to be cleared of irregularities and swindles, it is necessary to punish the chief thief before anyone else.

DPRK Paper Urges ROK To Release Hanchongnyon Students

SK2403085396 Pyongyang KCNA in English 0831 GMT 24 Mar 96

["MINJU CHOSON Condemns Fascist Outrage Against Reunification Champions" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 24 (KCNA) — The 12-year-long imprisonment the Kim Yong-sam group of South Korea demanded for Chong Min-chu and Yi Hye-chong is another intolerable fascist outrage against the patriotic champions of national reunification and a grave challenge to all the fellow countrymen's desire for reunification, says the newspaper MINJU CHOSON today.

In a commentary the daily says:

The Kim Yong-sam fascist clique, which have been driven into a tight corner, isolated and rejected at home and abroad, demanded heavy penalties for the girls, who visited Pyongyang as delegates of the South Korean Federation of University Student Councils (Hanchongnyon) under the South side headquarters of the National Alliance of Youth and Students for the country's reunification and conducted righteous activities for the country's reunification. In this way they want to take the edge off the struggle of "Hanchongnyon" and students which has been gaining momentum with the advent of spring, the season of struggle. Their desperate efforts, however, are a foolish attempt.

The Kim Yong-sam group must cancel the penalties and release them at once.

If they keep the girls behind bars and intensify the suppression of "Hanchongnyon", they will be bitterly denounced by the whole nation as the heinous enemy of reunification and will meet a stern judgement by history and the people.

DPRK: Japanese, Korean Overseas Groups Arrive 23 Mar

SK2303151296 Pyongyang KCNA in English
1507 GMT 23 Mar 96

[FBIS Transcribed Text] Pyongyang, March 23 (KCNA) — A delegation of the Japan Institute of International Affairs led by Acting Director Shinya Nagai arrived here today.

A delegation of Korean writers and artistes in Japan and the family members of the late Yun I-sang, a famous composer of the nation who was chairman of the overseas headquarters of the National Alliance for the Country's Reunification, also arrived here on a visit to the socialist homeland.

DPRK: WPK Sends Greetings to Chairman of Cambodian Party

SK2403090696 Pyongyang KCNA in English
0824 GMT 24 Mar 96

[FBIS Transcribed Text] Pyongyang, March 24 (KCNA) — The Central Committee of the Workers' Party of Korea [WPK] on Saturday sent a message of greetings to Norodom Ranariddh upon his election as chairman of the Funcinpec [National United Front for an Independent, Neutral, Peaceful and Cooperative Cambodia Party] Party.

The message said that his becoming a historical leader of the Funcinpec Party and his election of its chairman is an expression of the deep trust in him of all the party members and the Cambodian people.

It wished him greater success in his work to carry through the decisions adopted at the party congress and build a new independent, neutral, peaceful and prosperous Cambodia.

DPRK Envoy Presents Credentials to Libyan Secretary

SK2403063096 Pyongyang Korean Central Broadcasting Network in Korean
1300 GMT 20 Mar 96

[FBIS Translated Text] (Kim Yong-il), newly appointed DPRK ambassador extraordinary and plenipotentiary, presented his credentials to 'Umar Mustafa al-Muntasir, secretary of the Libyan People's External Liaison and International Cooperation Bureau, on 12 March.

During the meeting, the ambassador asked the secretary to convey the great leader [yongdoja] Comrade Kim Chong-il's greetings to Mu'ammar al-Qadhdhafi, leader of the great 1 September revolution of the Socialist People's Libyan Arab Jamahiriya. The secretary expressed deep gratitude, and asked the ambassador to convey to the Great Leader [yongdoja] Comrade Kim Chong-il the most enthusiastic greetings of long life by Mu'ammar al-Qadhdhafi, leader of the great 1 September revolution of the Socialist People's Libyan Arab Jamahiriya, and the Libyan people.

The secretary continued as follows:

The Socialist People's Libyan Arab Jamahiriya is observing with great admiration and attention the great results being achieved by the friendly Korean people under the wise leadership of the Great Leader [yongdoja] His Excellency Kim Chong-il, who is moving along the road pioneered by the Great Leader [suryong] His Excellency President Kim Il-song.

Even though Libya and the DPRK are distant from each other, they are comrades-in-arms in the struggle opposing the imperialists' domination and despotism. Relations between Libya and the DPRK cannot be crushed by anyone because it was provided by the leaders [yongdoja] of the two countries. We are of the firm belief that these magnificent relations will continue to be strengthened in the future.

Libya is confident that Korea's reunification will be achieved without fail by the DPRK people's own strength, without interference from the outside. The Libyan people will continue to send active support and encouragement to your Government and the people's firm and just position and measures for the country's reunification.

DPRK: Pakistani Ambassador Hosts Reception in Pyongyang

SK2403104296 Pyongyang KCNA in English 1015 GMT 24 Mar 96

[FBIS Transcribed Text] Pyongyang, March 24 (KCNA) — Pakistani Ambassador to Korea Rhemdil Bhatti hosted a reception on Saturday on the occasion of the day of Pakistan.

Invited to the reception were Vice-premier and Foreign Minister Kim Yong-nam, Minister of Health and Chairman of the Korea-Pakistan Friendship Association Kim Su-hak, Minister of Railways Pak Yong-sok and officials concerned.

Foreign diplomatic envoys in Korea were also invited.

Speeches were made at the reception.

DPRK Answers Charitable Group's Queries on Food Aid

SK2503040796 (Internet) Campaign To Help North Korean Flood Victims WWW in English Mar 96

["Text" of 12 March "written response" from the "Flood Damage & Rehabilitation Committee of the DPRK" to questions submitted by Bernard Krisher, chairman of the "Internet Appeal for North Korean Flood Victims," in which Krisher asked the DPRK Government about its "famine situation, distribution and donation policy"; this DPRK written response submitted to representatives of Krisher's group on 12 March in Pyongyang, the last day of a recent visit by representatives of the group to the DPRK]

[FBIS Transcribed Text]

Flood Damage & Rehabilitation Committee of The Democratic Peoples Republic of Korea, Pyongyang, D.P.R.K., Tel: 850-381-2-7222, Fax: 850-2-381-4660, March 12, 1996

Mr. Bernard Krisher, Chairman Internet Appeal for North Korean Flood Victims 4-1-7-605 Hiroo, Shibuya-ku Tokyo, Japan

Dear Mr. Krisher:

We would like to thank you for your Internet Home Page on behalf of the flood victims and your most recent donation of 260 metric tons of rice collected through this campaign which you distributed directly to the civilian populations in Unpa, Anju and Huichon this past week.

In answer to the questions you have posed, I would like to answer as follows:

Question (1): We have recently read that you have stopped accepting international donations for the flood victims. But it is not clear if this is a unilateral decision or only directed against certain kinds of donations. Could you please clarify the situation?

Answer: We are disappointed that our international appeal, to help victims of the severe floods which hit our country last fall and caused vast destruction of our crops, has been misused and politicized by some countries and people who wish [to] use this calamity to their advantage. They have attached political or other self-interest conditions to such aid.

Their campaign has been aimed at blocking donations, causing mistrust of our distribution system and creating a picture of instability in our society. This is a slanderous campaign challenging our dignity. Therefore we are rejecting any aid associated with such a campaign including that from South Korean authorities some of whose sinister forces politicize the humanitarian aid because they wish to place obstacles and hindrances in the way of donations. The South Korean authorities issued a study report stating North Korea had sufficient rice so there was no need to donate cereals. Because of this, other countries' organizations will not supply aid to us.

We do not deny all aid. Aid based on pure humanitarian motives is continuing.

We are also disappointed in organizations which pledged aid but have not provided it, donors who have requested unacceptable and humiliating conditions or demanded duplicated inspections which have already been satisfactorily conducted by appropriate UN agencies and duly reported. We are also wary of those who have caused undue delays in providing the emergency aid they promised.

We are a society dedicated to providing fair and equal care to our people. We spared no effort after the floods to reconstruct homes and provide the necessities they lost. We were able to achieve such reconstruction in a minimum period under our Juche philosophy and we are able to survive even the critical food shortage through Juche, if necessary.

However we cannot deny that we face a very severe food shortage in the coming months, until this year's harvest, if a large amount of rice is not imported. Our need is only rice. Some countries and organizations, well meaning and otherwise, have decided to ignore this need and send us materials we do not require. We reject such aid.

Consequently we have also decided to issue no new appeals.

We will not refuse aid already promised or sincere and humanitarian future aid from countries or organizations which have not stipulated conditions or politicized their aid.

We are grateful to those who sincerely wish to aid us in this respect.

Question (2): There have been media reports that international donations designated to the flood victims may have been distributed to the military.

Can you comment on this?

Answer: It is slanderous to imply that the international and private donations to our flood victims have been distributed to the military. Such statements are groundless. Those donations will not be, cannot be and are not given to the military. They are all provided without exception to the civilian population. Such international organizations as the WFP, UNDP and UNICEF have all monitored the distribution system of rice and are satisfied such donations have been properly distributed.

Question (3): As rice is the only commodity you require, what is the best procedure for private organizations to help the flood victims?

Answer: There are several ways — (a) Donors may transfer cash by bank transfer to The Flood and Rehabilitation Committee and may contact us directly by fax to learn the means of transferring such funds to us. Donors will receive full written documentation and photos of their donations' distribution. They can discuss the details of such donations by sending us a fax and we will respond.

(b) Donors may also purchase rice directly and ship it to one of our ports consigned to our committee. When it arrives and again when it is distributed we will provide a full accounting and documentation to the donors.

We can also refer potential donors of rice to several firms, located in Europe, which will provide such rice (35 percent/broken) at $250 per metric ton including transportation to Nampo Port. Donors may then negotiate with these firms directly.

(c) Donations may also be made through the World Food Program or other private organizations with whom we are in close and regular contact such [as] your Internet Campaign and others. The best way to deliver actual cereal donations is through the World Food Program as they are expert in this field.

The most important donation now is cereals but other assistance is also still acceptable if it is not attached to any sinister political conditions.

Question (4) Can you provide me with the current food situation? Is there a famine as has been reported or severe cases of malnutrition?

Answer: No one can deny that the destruction of our stored rice and lost crop in our farm belt has resulted in severe belt tightening among our populations. We do face a growing food shortage as the statistics disseminated by the FAO and WFP indicate. Their independent February report states "The U.N. WFP/FAO mission found that production, imports and already committed food aid would only cover 4.8 million tons of rice, leaving a shortfall of some 1.2 million tons to feed a quarter of North Korea's 22 million people devastated by the flood."

Sincerely yours,

Li Jong Hua
Representative, Flood Damage &
Rehabilitation Committee

Further cash donations are welcome so that more rice and supplies may be purchased. Please contact Bernard Krisher at — bernie@media.mit.edu or phone in Japan to +81-3-3486-4337 for info.

DPRK's New Peace Proposal Supported Abroad

SK2303151996 Pyongyang KCNA in English 1505 GMT 23 Mar 96

[FBIS Transcribed Text] Pyongyang, March 23 (KCNA) — Representatives of the missions of eight political parties and organizations in Cuba, including the Farabundo Marti National Liberation Front, the Communist Party of Paraguay, the National Revolutionary Unity of Guatemala, the Revolutionary Armed Forces of Colombia, the Puerto Rico New Movement for Independence and the Dominican Revolutionary Forces Party, made public an appeal to political parties, public organizations of all countries and international organizations on March 15, supporting the new peace proposal of the DPRK.

The appeal voice full support to and solidarity with the just proposal made by the Democratic People's Republic of Korea on signing a tentative agreement between the DPRK and the U.S. and organizing and operating a DPRK-U.S. joint military organ replacing the Military Armistice Commission for supervision of the implementation of the agreement in order to keep up the present armistice state in a peaceful way on the Korean peninsula.

The appeal called for political parties, public organizations, international organizations and democratic figures all over the world, desirous of peace, to give active cooperation to the DPRK's proposal.

DPRK: Foreign Leaders Support DPRK 'Cause of Justice'

SK2503043696 Pyongyang KCNA in English 0313 GMT 25 Mar 96

[FBIS Transcribed Text] Pyongyang, March 25 (KCNA) — State and party leaders of different countries expressed support for the Korean people's cause of justice recently when they met DPRK ambassadors.

Cheddi Jagan, general secretary of the Central Executive Committee of the People's Progressive Party and president of Guyana, said his country and Korea have established ties of friendship and supported each other from long ago.

"We will invariably extend full support to the just struggle of the Workers' Party and people of Korea in the future, too," he said.

Navin Ramgoolam, leader of the Labour Party and prime minister of Mauritius, said: "We hope that the Korean people will achieve greater success in the efforts for the building of socialism and national reunification under the leadership of the Great Leader Comrade Kim Chong-il."

He said they would fully support the Korean people's struggle in the future, too.

Rafiq Ahmad Sheikh, secretary general of the Pakistan People's Party, said: "I hope that the cause of socialism will be accomplished in Korea and the divided country will be reunified at an early date under the wise leadership of His Excellency the Great Kim Chong-il."

Ibrahima N'diaye, secretary general of the African Party for the Solidarity and Justice of Mali, said Comrade Kim Chong-il is a great statesman, a great thinker, a great philosopher and an outstanding military strategist. "The works recently published by him have served as a banner for the accomplishment of socialism and a beacon inspiring parties of the Third World countries with confidence," he added.

He said that a peace-keeping mechanism should be established in the Korean Peninsula as proposed by the Democratic People's Republic of Korea.

Man Mohan Adhikari, president of the C.C. [Central Committee] , The Nepal Communist Party (UML), said, when he met a delegation of the General Federation of Trade Unions of Korea, that they would always support the Korean people in the struggle to defend socialism and reunify the country.

DPRK: Kim Chong-il Thanks Enterprises for Aiding KPA

SK2503040396 Pyongyang KCNA in English 0308 GMT 25 Mar 96

[FBIS Transcribed Text] Pyongyang, March 25 (KCNA) — The Great Leader Comrade Kim Chong-il sent thanks to officials and employees of the Central Statistics Bureau and the Pyongyang General Printing Plant, members of the second primary organization of the Committee of the State External Economic Affairs Commission of the Kim Il-song Socialist Youth League, and other units and working people for having distinguished themselves in assisting the People's Army.

He also extended thanks to Kim Song-kum at the August 28 Factory, Yi Yon-hwa of the South Hwanghae provincial art propaganda troupe, Yu Sang-hwa in Kaechon, South Pyongan Province and other announcers of loudspeaker cars at different units, who had encouraged the masses to the efforts for the implementation of the policies of the Workers' Party of Korea by energetically conducting propaganda and agitation activities.

DPRK: Ceremony for Book on Kim Il-song Held in Moscow

SK2403082196 Pyongyang KCNA in English 0804 GMT 24 Mar 96

[Russian names are as received]

[FBIS Transcribed Text] Pyongyang, March 24 (KCNA) — A ceremony for publishing a serial book "Leaders of People in 20th Century, Comrade Kim Il-song" was held in Moscow on March 20 on the occasion of the birth anniversary of the great leader President Kim Il-song.

The director of the Paleya Publishing House, Nikolay Mishin, addressing the ceremony, said it is natural that the serial book, which begins with a story about Comrade Kim Chong-il, the great leader of the cause of chuche, continues a story about Comrade Kim Il-song, the great pioneer of the cause of chuche, the sun of the nation and an outstanding great man of the century.

"Availing myself of this significant opportunity, I courteously express deep respect for and look back upon the memory of Comrade Kim Il-song in humble reverence," he said.

Introducing the contents of the book, he said the works of Comrade Kim Il-song are famous ones which will shine forever down through generations.

Doctor of Philosophy Eduard Volodin in his speech referred to the significance of the first volumes of the serial book on Comrade Kim Il-song and Comrade Kim Chong-il.

He said that only when they read works of the great leaders can they find ways of accomplishing the human cause of independence and know well how they will reconstruct their motherland and socialism.

"Each word and phrase of works of Comrade Kim Il-song, the most seasoned statesman in the world, are all propositions of weighty significance for all humankind," he noted.

Accomplishment of Kim Il-song 'Behests' Urged

SK2603093496 Pyongyang NODONG SINMUN in Korean 11 Mar 96 p 1

[Editorial: "Let Us Vigorously Wage the Struggle To Carry to Accomplishment the Behest Teachings of the Great Leader Comrade Kim Il-song in All Domains"]

[FBIS Translated Text] By putting forward gigantic plans for socialist construction, today our party is wisely leading the entire party and all the people in the struggle to achieve them.

In order for all domains and all units in socialist construction to make our nation and our fatherland stronger and wealthier and to fully display the superiority of socialism of our own style by upholding the party's leadership, they should vigorously carry out the behest teachings of the great leader [suryong] Comrade Kim Il- song.

The great leader [yongdoja] Comrade Kim Chong-il has pointed out:

No matter how distant and rugged may be the road of our revolution, which was pioneered and led by the great leader Comrade Kim Il-song, we should unyieldingly advance on the road indicated by Comrade Kim Il-song in his behests. This is our party's unswerving faith and will.

The great leader Comrade Kim Il-song's behest teachings are the everlasting guideline and lifeline of our revolution.

The great leader [suryongnim] led our revolution at the fore by upholding the banner of the chuche idea for a long time. During this period, he comprehensively elucidated all theoretical and practical issues concerning the revolutionary struggle and construction work.

All teachings given by the great leader [suryongnim] during his lifetime are the behest teachings [yuhun kyosi]. Expounded concretely in these teachings are tasks for all domains and sectors of the revolution and construction including party building, state building, economic and cultural construction and the building of revolutionary armed forces. If we carry out work according to the great leader's [suryongnim] behest teachings, we can achieve brilliant victory in all domains and units of the revolution and construction. Only when we carry through to accomplishment the great leader's teachings by assuming them as the only permanent guideline for today and for the future as well, can we successfully carry out all tasks in the revolution and construction and accomplish the cause of chuche-orientation of the entire society.

It is a worthwhile work for effecting a great revolutionary upsurge in socialist construction to thoroughly implement the great leader Comrade Kim Il-song's behest teachings.

Today we are vigorously accelerating the general march to display the spirit of socialist Korea with singlehearted unity around the party. The decisive guarantee for winning brilliant victory in this majestic struggle is to thoroughly accomplish the great leader's behest teachings in all domains and units of socialist construction. During his lifetime, the great leader elucidated concrete tasks and methods for effecting a constant upsurge in socialist construction.

The great leader gave teachings to our functionaries, party members and workers on highly displaying the revolutionary spirit of self-reliance and the spirit of "arduous march" in socialist construction. He emphasized directing efforts to precedence industrial domains, including coal industry and electric power industry, by implementing the agriculture-first, light industry- first, and trade-first policy.

When our functionaries, party members and workers vigorously carry to accomplishment the great leader's behest teachings with lofty sense of loyalty, there will be no difficulty that they cannot overcome nor a stronghold that they cannot occupy.

All of our people have grown to be revolutionaries with noble political life in the great leader's bosom.

We should uphold the fatherly leader with higher degree of consciousness and loftier sense of obligation than we had during his lifetime. We should thoroughly accomplish the leader's behests without a slightest degree of deviation with extraordinary determination [pisanghan kagoro]. Herein lies the road for us to fulfill the mission as fighters and disciples of the great leader.

Today the great leader [yongdoja] Comrade Kim Chong-il is leading our revolution and construction to victory by firmly grasping the respected leader's [suryongnim] behest teachings.

We should more highly display the lofty sense of moral obligation to the fatherly leader by upholding the leadership of the respected and beloved Comrade

Kim Chong-il. We should achieve greater victory on all fronts of this year's socialist construction with might of singlehearted unity.

All domains and all units of socialist construction should, above all, more highly display the spirit of absoluteness and unconditionality to the party's policy.

The struggle to implement the great leader Comrade Kim Il-song's behests is the struggle to implement the party's policy.

All lines and policies put forward by the respected and beloved general are consistent with the work of keeping and accomplishing the fatherly leader's behests. The policy of giving priority to ideological work in carrying out the socialist cause is aimed at keeping the great leader's [suryongnim] behests and the policy of thoroughly accomplishing the revolutionary economic strategy is aimed at epochally enhancing the people's living standard by realizing the great leader's lifetime intentions without fail.

Today, the party's policy is explicitly put forward in all domains and in all units of the revolution and construction, and everyone of our functionaries, party members, and working people is precisely aware of the struggle tasks they have to carry out. All domains and all units should keep in mind that offering joy and satisfaction to the great leader [yongdoja] Comrade Kim Chong-il is the road to respectfully uphold the fatherly leader generation after generation. They should unconditionally and thoroughly carry to accomplishment the party's policy that was put forward to them. The agricultural domain should reap bumper harvests this year by all means by thoroughly implementing the chuche agricultural method and by displaying a lofty revolutionary spirit and combat capabilities. The light industry sector should attain its monthly, quarterly, and indexed production goals for people's consumer goods, which were set by the party, by mobilizing and utilizing all reserves and potential.

External trade and its related plants and enterprises should decisively increase the production of export goods by gathering all its strength. By so doing, we should epochally upgrade the people's standard of living in compliance with the fatherly leader's lifetime intentions, and should fully display the superiority of our own style of socialism.

For all domains and all units to thoroughly carry out the behest teachings of the great leader Comrade Kim Il-song, it is important to enhance the responsibility and role of functionaries.

Our people's revolutionary zeal to make our nation and our fatherland stronger and wealthier by upholding the great leader's behest teachings is quite high. All party members and working people are filled with zealous determination to carry to accomplishment the great leader's behest teachings with the spirit of the "arduous march."

Functionaries should more keenly carry out the organizational work of accomplishing the great leader's behest teachings in conformity with the elevated spirit of the masses. Functionaries should not forget for a moment the great pride and happiness in having grown to be commanding members of the revolution within the great leader's bosom. They should advance by cherishing the sense of loyalty in order to repay the great leader's [suryongnim] benevolence by dedicating their lives.

Our functionaries should revolutionarily carry out their work as taught by the great leader, and should frugally and simply lead their daily lives as the leader [suryongnim] personally showed.

When accomplishing the behest teachings of the great leader Comrade Kim Il-song, it is important for our functionaries, party members, and working people to struggle with the spirit of aspiring to the future and not merely the present.

While leading our revolution at the fore for long period of time, the great leader dedicated everything to the endless prosperity and growth of the fatherland and to the happiness of all generations.

The impregnable party, the indomitable and ever-victorious revolutionary armed forces, the solid self-supporting national economy, and other precious gains provided by the great leader [suryongnim] through his efforts and his labor, are not only aimed at our present generation but also at the future of the fatherland, which will be more prosperous, and at our people's everlasting happiness.

Until his great heart stopped beating, the fatherly leader devoted all his efforts, sweat, and labor to providing greater happiness for our people and to enabling future generations to live in a paradise of better and wealthier people. We can never forget the fatherly leader's benevolence, no matter how many years and generations may pass.

We should clearly realize that the struggle to accomplish the great leader's behest teachings is a struggle not only for our happiness but also for future generations, and that this struggle is a plan for of all ages. We should dedicate all wisdom and passion to this sacred work.

All party members and working people should cherish the chuche- based outlook on life that states they will be satisfied even if they cannot find enjoyment [pirok nagul poji mottanda hadorado] if the fatherland becomes strong and wealthy and if future generations live happily. Thus, they should break through all difficulties and trials at the fore, and should constantly create new miracles and feats.

For all domains and units to thoroughly accomplish the great leader's behest teachings, they should enhance the role of party organizations. Party organizations at every level should constantly deepen ideological indoctrination work and should vigorously inspire party members and working people in their own domains and units to struggle to accomplish the great leader's behest teachings.

Party organizations should also strengthen organizational and political work to vigorously push the struggle to bring the great leader's lifetime intentions to full bloom, and should subordinate all work to this. Party organizations at every level should closely examine what was accomplished and what should be accomplished in the future when implementing the great leader's behest teachings, and should persistently push ahead with the struggle to accomplish his teachings.

All party members and working people should more vigorously carry out the struggle to accomplish the great leader's behest teachings on all fronts of socialist construction by upholding the party's leadership. Thus, we should unswervingly glorify the honor of being outstanding people with a strong sense of loyalty and moral obligation to the party and the leader [suryong].

DPRK Daily on People's Fidelity to 'Behests' of Kim Il-song

SK2403084596 Pyongyang KCNA in English
0822 GMT 24 Mar 96

["NODONG SINMUN on Korean People's Trait True To Behests of President Kim Il-song" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 24 (KCNA) — It is the praiseworthy trait of the Korean people to have turned out as one in carrying through the behests of the great leader Comrade Kim Il-song with higher degree of revolutionary spirit and a nobler sense of fidelity than in his lifetime, said NODONG SINMUN on March 23 in an article headlined "It Is Noble Obligation of Korean People To Remain True to the Behests of the Great Leader Comrade Kim Il-song."

The article continued:

The Korean people, who make it their basic demand of life to implement the great leader's behests, are living and striving as intended by him and are devotedly working to carry into effect his lifetime plan and desire.

The whole party and all the people are making an overall study of and carrying through the teachings and tasks given by him and the party's policies for realising his intention and plans in all domains and at all units and all workshops.

The noble trait of the Korean people intensely loyal to the leader is displayed in a most creditable manner in upholding the ideas and leadership of the great leader Comrade Kim Chong-il.

Most important one of the behests left by Comrade Kim Il-song to the people is to uphold the respected Comrade Kim Chong-il with loyalty.

Comrade Kim Il-song during his lifetime told earnestly that the Korean people should uphold Comrade Kim Chong-il and closely unite around him in order to accomplish the revolutionary cause of chuche.

The Korean people are hardening their unshakable pledge and resolution to accomplish the revolutionary cause of chuche under the leadership of Comrade Kim Chong-il, remembering the fatherly image of Comrade Kim Il-song, who was telling that the Korean revolution will be ever victorious under the leadership of Comrade Kim Chong-il and the era led by him will be more bright and prosperous in the future than today.

DPRK: Korean Artists From Japan Visit Kim Il-song Statue

SK2403084196 Pyongyang KCNA in English
0817 GMT 24 Mar 96

[FBIS Transcribed Text] Pyongyang, March 24 (KCNA) — The delegation of Japan-resident Korean writers and artistes and the family members of the late Yun I-sang, who was chairman of the Overseas Headquarters of the National Alliance for the Country's Reunification (Pomminnyon), visited the statue of the great leader President Kim Il-song on Mansu Hill in Pyongyang on Saturday. They laid a floral basket and bunches of flowers before the statue and made bows.

DPRK: Overseas Writers, Artistes Pay Homage to Kim Il-song

SK2503040496 Pyongyang KCNA in English
0306 GMT 25 Mar 96

[FBIS Transcribed Text] Pyongyang, March 25 (KCNA) — A delegation of Korean writers and artistes in Japan on Sunday visited the Kumsusan Memorial Palace and paid homage to the Great Leader President Kim Il-song, who is preserved in state there.

Head of the delegation Yo Un-kak wrote in the visitor's book:

We firmly resolve to add lustre to the revolutionary exploits of the Great Leader Generalissimo Kim Il-song and remain intensely loyal to the ideology and leadership of the respected General Kim Chong-il.

DPRK: Han Song-yong Attends Statistics Bureau Report Meeting

SK2403061996 Pyongyang Korean Central Broadcasting Network in Korean 0600 GMT 21 Mar 96

[FBIS Translated Excerpt] A report meeting marking the 50th anniversary of the founding of the State Statistics Bureau was held on 20 March at Central Workers Hall.

Comrade Han Song-yong, member of the Political Bureau of the Workers Party of Korea [WPK] Central Committee and secretary of the party Central Committee; Comrade Hong Sok-hyong, alternate member of the Political Bureau of the WPK Central Committee and chairman of the State Planning Committee; Comrade Yun Ki-pok, chairman of the Economic Policy Committee of the Central People's Committee; other functionaries concerned; and functionaries in the statistics sector were on hand at the report meeting.

At the report meeting Comrade Han Song-yong delivered the WPK Central Committee's congratulatory message to all the functionaries of the State Statistics Bureau. [passage ommited on summary of congratulatory message]

DPRK: 'Sowing on Cold-Bed' for Rice Seedlings Begins

SK2403083496 Pyongyang KCNA in English 0813 GMT 24 Mar 96

[FBIS Transcribed Text] Pyongyang, March 24 (KCNA) — Sowing on cold-bed for rice seedlings began on co-op farms in Korea.

Agricultural working people across the country, who had made full preparations for farming from early this year, have started sowing all at once in time.

Co-op farms in Sukchon, Unjon, Yonan, Paechon and Hwangju Counties and other west coast areas in South and North Pyongan Provinces and South and North Hwanghae Provinces, are overfulfilling the daily assignments for sowing by 20 to 30 percent.

Co-op farms in eastern areas of the country have fully prepared for sowing and are pushing ahead with farming work as scheduled.

South Korea

ROK-U.S. Trade Promotion Tour Described

SK2503023896 Seoul YONHAP in English 0128 GMT 25 Mar 96

[FBIS Transcribed Text] Seoul, March 25 (YONHAP) — The "Korea Caravan," a seminar for American businessmen interested in the economic policies and investment conditions in South Korea, will open Monday in Riverside, California.

Joined by South Korean Ambassador to Washington Pak Kun-u and his U.S. counterpart James Laney, the caravan will swing through nine cities through April 5. It is scheduled to attract representatives from American industry and commerce along with the press.

To promote American investment in South Korea, the seminar will address Korean-American trade frictions and explain Seoul's ongoing measures to liberalize its economy. Calls on U.S. businessmen are also scheduled.

Bilateral trade between the two nations reached over 50 billion U.S. dollars last year, with South Korea being the fifth-largest market for American exports.

The American Chamber of Commerce in South Korea will hold the seminar on "doing business in Korea," and hopes to foster a sense of cooperation between the Korean and American business communities rather than one of confrontation.

The Korea Institute of Economic Policy has held such seminars annually since 1991 to publicize South Korean businesses through the Washington-based Korea Economic Institute, which was established in 1982.

The caravan's itinerary is Los Angeles (March 26), Orange County (March 27), Seattle (March 28), Portland (March 29), San Francisco (March 30-April 1), Denver (April 2), New Orleans (April 3), Los Angeles (April 4), and San Diego (April 5).

ROK Foreign Minister: ASEM 'Will Not Erode' U.S. Interests

SK2603042196 Seoul THE KOREA TIMES in English 26 Mar 96 p 2

[FBIS Transcribed Text] Foreign Minister Kong No-myong said in Washington yesterday that the healthy development of the Asia-Europe summit talks will not erode the national interests of the United States.

"Since the Republic of Korea is to host the third ASEM (Asia- Europe Meeting) in Seoul in 2000, the opening year of the 21st century, it hopes to play the role of a link between the Asian and European regions, in addition to being a link between Asia and America through APEC," Kong said in a speech at the Korea Society, chaired by former U.S. ambassador to Seoul Donald Gregg.

Some U.S. policymakers and analysts held misgivings about the formation of the Asia-Europe summit talks as the United States, regarded as the sole world power with the end of the Cold War, was excluded from the summit of leaders from 25 Asian and European countries.

He said that the ASEM is a historic event as it laid the foundation "not only for future-oriented cooperation between the two regions but also for the liberalization of the world economy." Kong called the Korean peninsula a strategic area where diverse national interests of the United States, Japan, China and Russia are at stake, and their influences would be crucial in leading the peninsula to "war and peace."

"Close cooperation among the four countries is essential for the well-being of the Republic of Korea. Even though a unified Korea would have a population of 80 million, it will have to coexist with giants like China with 1.2 billion people; Japan with 130 million; and Russia with 160 million," he said.

The foreign minister pledged to play the creative role of the "go-between" among the four powers to ensure peace and prosperity in this region and arbitrate their conflicting national interests.

He hoped that the U.S.-Japan joint statement on security, to be issued next month with U.S. President Bill Clinton's visit to Japan, will address the new security environment, and that the two countries' cooperative relations will develop to meet the needs of the future.

He also called on the United States and other allies to set up "constructive engagement policies" in inter-Korean affairs. "Unprincipled approaches or, stop-gap measures can never resolve the basic problem of North Korea. On the contrary, they could lead to a mistaken judgment on the part of North Korea and produce a result that goes against the common interest of the Republic and the United States, which is the maintenance of stability on the Korean peninsula," he said.

ROK Foreign Minister Voices Concern Over DPRK-U.S. Ties

SK2603035396 Seoul TONG-A ILBO in Korean 26 Mar 96 p 2

[Report by Pak Chae-kyun from New York]

[FBIS Translated Text] On 26 March (local time), Foreign Minister Kong No-myong, who is currently visiting the United States, held a meeting with U.S. Secretary of State Warren Christopher. In the meeting, the foreign minister reportedly delivered the ROK Government's concern over the possibility of rapid approaches between the United States and North Korea after the 11 April election general elections in the ROK, and stressed that the North Korea-U.S. relations should be improved in accordance with progress in inter-Korean relations.

ROK Editorial Analyzes DPRK Threat Over Tentative Agreement

SK2303141296 Seoul CHUNGANG ILBO in Korean 23 Mar 96 p 6

[Editorial: "The North's Intimidation of Taking 'Final Measure'"]

[FBIS Translated Text] North Korea's recent moves to cripple the armistice system are inauspicious. It has repeatedly threatened that it will "take a final and active measure to replace the old armistice system with a new mechanism" if the United States refuses to accede to its proposal to negotiate for the establishment of a tentative agreement.

Ever since North Korea warned through a so-called memorandum issued in the name of "the Panmunjom mission of the Korean People's Army [KPA]" on 8 March that "the United States is not the only one with an option," it has repeatedly unveiled its threat through various channels. Four days later, on 12 March at news conferences, North Korean diplomats warned of a final measure and, finally last week, North Korea reportedly sent an official letter to the UN Security Council regarding this matter.

It has been exactly one month since North Korea demanded the conclusion of a tentative agreement. North Korea's assertion on taking a final measure could be seen as another one of its hackneyed threats. However, we should be alert to the fact that North Korea has repeated such threats over and over again for a month.

We have already witnessed in the past that North Korea has carried out its threats. After announcing last May, in the name of the Panmunjom KPA mission, that it would limit the access to the Joint Security Area of Panmunjom and would close down the office of the Neutral Nations Supervisory Council [NNSC] under the North side's control, North Korea put its words into practice. At that time, North Korea even revealed that "it would take measures concerning the status of the DMZ" if the United States tacitly approves arms enforcement and military provocations in the South side's DMZ.

North Korea's threat over a final measure could be understood in this context: North Korea may cripple or nullify "a systematic mechanism," meaning the Armistice Agreement system, or unleash a direct military provocation. North Korea may close down a NNSC conference room, change its name, or take steps to close down Panmunjom and, in the worst case, dismiss the DMZ. The government should be fully prepared for the worst case, such as military action.

ROK Foreign Minister on ROK-DPRK, Taiwan-PRC Issues

SK2603053996 Seoul YONHAP in English 0259 GMT 26 Mar 96

[FBIS Transcribed Text] New York, March 25 (YONHAP) — Foreign Minister Kong No-myong Monday warned against any "unprincipled approaches" to North Korea by the United States and other South Korean allies, noting the possibility of the North making a misjudgement which could undermine stability on the Korean peninsula.

"That is why we have been stressing that our allies must take into consideration the need for improved inter-Korean relations and the principles of "close coordination and parallel action" with the republic of Korea, when they try to improve their relations with North Korea," Kong said.

Kong was speaking at a luncheon hosted by the Korea Society at the Waldorf-Astoria Hotel about "The Challenges and Opportunities Facing Korea in the 21th Century".

The minister stresed that the North Korean policies pursued by South Korea's allies should be "constructive engagement policies that encourage practical changes in the North," although he admitted the need for countries friendly to Seoul to render support to help Seoul direct North Korea toward openness.

"Frankly speaking, at a time when North Korea is in the midst of a volatile situation and is pursuing a hostile policy toward South Korea to keep the regime in power, the question of how to manage inter-Korean relations is posing a great challenge to us," Kong said.

"The threats facing us today in regard to North Korea, therefore, require preparing not only for miitary provocation but also for the instability of the Pyongyang regime," Kong said.

Kong said that change in the North could occur like an earthquake that suddenly strikes without warning. "To lessen the burden we might have to shoulder in such an event, we must try to induce gradual changes in the North through steady contacts."

Stressing that North Korea cannot solve its economic problems including the severe food shortage so long as the North ignores the south, Kong urged Pyongyang not to forget that the South and the North are the only parties directly concerned.

Kong also stressed the importance of firm security alliance between Seoul and Washington, including continuing presence of the United States Armed Forces in South Korea, in the process of reunification of the Korean peninsula.

"As recent developments involving Taiwan demonstrate, the United States is playing an important balancing role in Asia. Especially with regard to efforts to induce change in North Korea, maintaining the ROK-U.S. deterrent force is the strongest practical lever."

Noting that China is, historically and geographically, in the most favorable position to induce openness and reform in North Korea, Kong expressed concern that the recent confrontation between China and Taiwan is detrimental to both the stability and prosperity of the Korean peninsula and of the northeast Asian region.

"If such a confrontation happens again, it should be resolved peacefully," Kong said.

ROK Red Cross Decides To Resume Aid to DPRK Flood Victims

SK2603065296 Seoul KYONGHYANG SINMUN in Korean 26 Mar 96 p 3

[Report by Yi Tae-kun]

[FBIS Translated Text] The Korea National Red Cross [KNRS] has decided to resume its provision of material aid to North Korean flood victims, which was suspended last January.

On the afternoon of 25 March, the KNRS held a meeting presided over by KNRS Secretary General Yi Pyong-ung to discuss food aid and decided to resume its suspended support for North Korea at an early date. The KNRS will also finalize on what types of goods to be provided and the date of delivery after consulting with the Ministry of National Unification.

The KNRS, however, plans to provide the fourth shipment of such relief goods as edible oil to the North next month.

The KNRS has provided relief goods on four occasions, including the last month's shipment comprised of 100,000 packs of instant noodles and 20,000 pairs of socks, to North Korea, which turned down any further Red Cross assistance at the end of January.

The KNRS's resumption of relief aid is followed by the International Federation of Red Cross [IFRS]'s decision to accept North Korea's appeal for food aid on 22 October and to continue its support until the next harvest in october. The IFRS announced on 22 March: "North Korea appealed for 7,678,000 Swiss francs in total, including materials worth 6,964,000 Swiss francs and 690,000 Swiss franc in cash."

Regarding this, a KNRS official commented: "Even though North Korea called for the provision of such crops as beans, we are against the aid of crops or in cash. Thus, the KNRS is experiencing difficulties in selecting the types of relief goods to be provided to North Korea."

ROK: Direct Foreign Investment in DPRK Tapers Off in 1990's

SK2503023796 Seoul YONHAP in English 0103 GMT 25 Mar 96

[FBIS Transcribed Text] Seoul, March 25 (YONHAP) — North Korea attracted 687 million U.S. dollars in direct foreign investment between 1988 when it first opened its market on a limited basis and 1994.

Foreign investors, however, have also taken 67 million dollars out of the communist country, leaving 620 million dollars still there, according to the latest edition of "SAMSUNG ECONOMY," a monthly magazine published by the Samsung Economic Research Institute.

Citing a recent UN world investment report, the magazine said direct investment in North Korea by foreigners soared from 1 million dollars in 1988 to 629 million dollars in 1989.

In 1990, however, 61 million dollars were withdrawn from the country, and there was no additional foreign investment for the second consecutive year in 1991.

North Korea attracted an additional 43 million dollars in 1992 and 12 million dollars in 1994 but 6 million dollars was withdrawn in 1993.

In the same seven-year period, South Korea attracted 5.32 billion dollars, almost nine times as much as the amount attracted by the North.

ROK Welcomes U.S., UK, France S. Pacific Test Ban Pact

SK2503051496 Seoul YONHAP in English 0244 GMT 25 Mar 96

[FBIS Transcribed Text] Seoul, March 25 (YONHAP) — South Korea welcomed the signing Monday by the United States, Britain and France of a treaty banning nuclear tests in the South Pacific Ocean.

Foreign Ministry Spokesman Chang Chol-kyun also hoped that the signing of the South Pacific Nulear-Free Zone Treaty or Treaty of Rarotonga will help expedite the signing of the Comprehensive Test Ban Treaty (CTBT) which is aimed at a global ban on nuclear testing.

The Treaty of Rarotonga has been signed by eleven South Pacific countries including Australia, New Zealand, Papua New Guinea and West Samoa in 1985 and took effect the following year but has been crippled by the reluctance of the three nuclear powers to sign the treaty.

The treaty bans tests, production, deployment and procurement of nuclear weapons in the South Pacific region and prohibits the dumping of nuclear waste into the South Pacific Ocean.

The primary reason the treaty was originally introduced was to prevent France from conducting nuclear tests and Japan from dumping nuclear waste in the South Pacific Ocean.

ROK Plans To Provide Nuclear Waste Facilities to Russia

SK2503060296 Seoul TONG-A ILBO in Korean 25 Mar 96 p 2

[FBIS Translated Text] The government will provide Russia with $1 million worth of ROK-made equipment for nuclear waste disposal to prevent Russia from dumping nuclear waste into the East Sea without permission.

A Foreign Ministry official said on 24 March that the government has decided to accept the request for cooperation made by the Russia, which has dumped nuclear waste into the East Sea under the pretext of a shortage of facilities for nuclear waste disposal, in view of environmental protection.

According to this decision, the government has mapped out a plan to provide Russia with nuclear waste disposal facilities, such as drums, trucks, cranes, and computers, around July and is now holding discussions with Russia on specific items to be supplied.

ROK-Japan Fishing Talks Put Off Due to 'Obstacles'

SK2303043396 (Internet) The Chunganng Ilbo WWW in English 23 Mar 96

[FBIS Transcribed Text] The South Korean government decided to postpone the date for beginning serious negotiations on the revision of Korean-Japanese fishing accord.

Its decision was based on the judgment that obstacles still remain to an early conclusion of the bilateral negotiations. The negotiations, originally slated for sometime this month, will be delayed by about a month.

ROK: India Urges Firms' Role in Infrastructure Projects

SK2403060996 (Internet) The Chungang Ilbo WWW in English 24 Mar 96

[FBIS Transcribed Text] The Indian Government and its private development companies recently made an official request for active participation from Korean construction companies in about twenty large-scale construction projects whose total cost is estimated at 20 billion dollars (16 trillion won).

India held a "Symposium on India's Construction Market Projects" for Korean companies from March 6-10 in Bombay and in other major business areas, and officially requested the firms to take part in about 20 construction projects including social infrastructure, real estate development and industrial facilities.

ROK Ministry Denies Koreans Victims of 'Mad Cow Disease'

SK2403060296 Seoul THE KOREA HERALD in English 24 Mar 96 p 8

[FBIS Transcribed Text] In a strongly-worded statement, the Ministry of Agriculture, Forestry and Fisheries yesterday denied a leading Korean-language newspaper's report that Koreans have been struck by the "mad cow" disease after eating beef.

"The link between the cow disease and human ailments is highly unlikely considering Korea has imported only two live cows from Britain 10 years ago," said the statement.

The CHOSON ILBO ran a leading story Saturday under the headline of "Mad Cow Scare Hits Korea."

Quoting several reputable hospitals including Seoul National University Hospital, the article said that seven cases of Creutzfeldt-Jacob Disease were reported in Seoul and Pusan since last year.

But the ministry objected the direct link between the outbreak and eating beef, saying Korea imported only two live cows from Britain in 1996 for breeding purposes and that they remained healthy through their 1989 retirement.

"No cows, live or dead, arrived from Britain since 1989," said the statement.

Meanwhile, the World Health Organization (WTO) was widely quoted, questioning the direct link between the cow disease and human sickness.

ROK Plans Park To Express Support for UN PKO Activities

SK2503092496 Seoul YONHAP in English 0711 GMT 25 Mar 96

[FBIS Transcribed Text] Seoul, March 25 (YONHAP) — The government plans to build a United Nations Peacekeeper Park in the Seoul Children's Park to express public support for the international organization's Peacekeeping Operations (PKO) and in memory of sacrificed PKO personnel.

The christening ceremony for the 2,000-pyong (1 pyong equals 3.3 square meters) peacekeeping park is slated for April 1, a Foreign Ministry official said Monday.

UN Secretary General Butrus Butrus-Ghali, Foreign Minister Kong No-myong, Seoul Mayor Cho Sun and approximately 100 South Korean troops who will soon be sent to Angola will all be on hand to take part in the ceremony.

Those attending the event are scheduled to transplant roses symbolizing the peace pursued by the United Nations.

Since its inauguration in 1948, more than 600,000 people have served in the United Nations PKO operations and more than 1,000 sacrificed their lives for peace.

UN PKO received the Nobel Peace Prize in 1988 in recognition of meritorious contributions to world peace.

There are currently 261 South Koreans engaged in PKO in Angola and three other countries. Korea's contribution of manpower to PKO ranks 27th out of the 70 participating countries.

ROK: OECD Urges Legal, Food, Energy Industries Liberalization

SK2403060896 (Internet) The Digital Chosun Ilbo WWW in English 1204 GMT 23 Mar 96

[FBIS Transcribed Text] The OECD is urging the Korean Government to further liberalize its legal service, food, journalism and energy industries. This issue will be a big factor when the final two committees meet on April 11 to discuss Korea's application to join the OECD. Hence expeditious liberalization of these industries is seen as inevitable.

The Finance and Economy Board said Saturday "The OECD maintains a view that Korea's foreign investment liberalization levels are less than those of even Mexico and the Czech Republic", two countries that recently attained membership to the OECD and that the OECD particularly wishes to see Korea further open up those industries mentioned above.

An official of the Board said that Board will continue to oppose liberalization of the fish and agriculture industries on national security grounds but that it does not have any reason to impede the liberalization of other industries. He stated the Board will discuss the possibility of permitting foreigners to sit the Korean bar exam and also the allowing [of] foreign satellite proprietors to participate in the domestic broadcast industry.

ROK's Na Ung-pae: Capital Market Opening Must Avoid Dislocation

SK2403060396 Seoul THE KOREA HERALD in English 24 Mar 96 pp 1, 4

[FBIS Transcribed Text] Regarding its bid to join the Organization for Economic Cooperation and Development (OECD), Korea will open its capital markets in such a way as to minimize the impact of the opening on the Korean economy, a top economic policymaker said yesterday.

"The government will give full consideration to the Korean economy's capability to accommodate opening measures so that its negative effects may be minimized," Deputy Prime Minister and Minister of Finance and Economy Na Ung-pae said.

The government will also take into consideration the peculiar situation of the Korean Peninsula, which is divided into the capitalist South and the communist North, said Na, concurrently minister of finance and economy, in a speech to an audience of 400 senior managers of local financial institutions.

Na's remarks seemed to reconfirm the government's position that Korea will not conform to the OECD's demand for opening its financial markets more than it can accept.

With the capital market opening being widened, the top economic policymaker pointed out, an increase in capital inflows and hot money flowing in and out of the country may damage its macroeconomic stability.

To prevent such a situation, the government will adopt an appropriate policy mix of such macroeconomic variables as money supply, interest rates, exchange rates and fiscal spending, he said.

The government, in particular, will take action to prevent increased capital inflows from appreciating the Korean won, which may make Korean exports more expensive, Na said.

The top economic policymaker also urged domestic banks and nonbank financial institutions to lower their lending and deposit rates in step with the falling money-market and long-term interest rates.

Market interest rates have recently dropped to the lowest levels this year but financial institutions have failed to cut their lending and deposit rates, which is attributable to their intense competition to expand, he pointed out.

Such a business practice should be corrected and the government is committed to attaining a downward movement of interest rates in the future, Na said.

Meanwhile, Na said the government will maintain the current financial system of separating banking, insurance and securities in the short term.

In the mid-term, the government will consider breaking down the strict separation and allow a financial firm to engage in more than one business line, he added.

ROK Article Views Differences in Seoul, OECD Stances

SK2603043096 Seoul THE KOREA TIMES in English 26 Mar 96 p 9

[Article by staff reporter Yi Chang-sop: "ROK Policymakers, OECD Have Opposite Perceptions Over Key Economic Issues"]

[FBIS Transcribed Text] Korea and the Organization for Economic Cooperation and Development (OECD) have "opposite views and perceptions" on key economic issues, including the nation's small industry promotion program.

For the past one year, Korean policymakers held a series of discussions with OECD members on ways of Westernizing the Korean economic system ahead of the nation's entry into the Paris-based club. Korea accommodated many constructive suggestions made by the OECD, but both sides are still wide apart on key economic issues.

The Kim Yong-sam administration has been all-out to help small and medium-sized companies facing woes in the course of rapid deregulation and market-opening. The general public appears to sympathize with Kim's program to assist small and medium-sized companies.

However, the OECD said all Korean companies, regardless of the corporate size, must be on an equal footing in competition. The OECD said none of its members have a special and comprehensive program intended to assist in small and medium-sized companies, according to sources.

The Paris-based club urged Seoul to scrap its rule asking banks to extend a special portion of loans to small and medium-sized enterprises. It is said to be airing the view that Seoul's recent creation of the Small and Medium Business Administration is a kind of bureaucratic red tape that may not create a level playing field in the Korean economy.

The OECD has repeatedly urged Seoul to scrap the Stock Market Stabilization Fund (SMSF), saying it is a government tool to manipulate stock prices. But the fund is ready to heavily buy stocks ahead of the general elections on April 11.

Domestic criticism is mounting over the government's inability to curb a record high trade deficit. But the OECD says even if Korea's trade deficit were to increase somewhat from its 1995 level, this will not provoke any concern among foreign investors about Korea's creditworthiness. It advised Korea to maintain a "current account deficit" in the face of surging capital inflow.

It said any attempt to depreciate the Korean currency artificially in the face of surging capital inflow will risk a loss of foreign confidence in the Korean economy, and foreigners might withdraw their investment from Korea.

OECD said Korea is the only country that bars union members from maintaining more than a single union in a company while preventing a third party from intervening in labor affairs. It urged Seoul to revise its labor laws in line with OECD practices.

Seoul officials say a full bond market-opening will not be possible, and Korean firms will not be given full freedom in introducing "cheap" foreign capital until the wide gap between domestic and foreign interest rates narrows. But the OECD is sticking to the belief that an acceleration of capital inflow, including the opening of the bond market and the introduction of cheap foreign funds, will put downward pressure on the internationally high interest rates here.

Japan, an OECD member, said Korea should scrap its import diversification program aimed at preventing an inflow of Japanese industrial products into Korea. The government instituted the program to minimize the chronic trade deficit with Japan. But Tokyo said no OECD member is maintaining that kind of restriction on imports of a specific country.

The Bank of Korea considers asking non-bank financial institutions to put part of its deposits into the central bank's non-interest-bearing account as reserves to maintain an equal condition for competition between banks and non-bank financial institutions. But the OECD suggested that Korea progressively reduce the high, non-renumerated reserve ratios for banks, instead of planning to ask non-bank financial firms to keep part of their deposit in the central bank's vault. The OECD called for a "strong central bank" to bolster the soundness of the Korean banking system. But the Ministry of Finance and Economy has no immediate plan to ensure the neutrality of the central bank or make it strong.

Korea boasts that the liberalization ratio for inbound foreign direct investment is near 95 percent. But the OECD said the liberalization ratio is meaningless as long as key industrial sectors such as the legal profession, oil refineries and the media are closed to foreign access.

ROK Plans To Seek Parliamentary Approval of EEZ Draft

SK2603033196 Seoul YONHAP in English 0304 GMT 26 Mar 96

[FBIS Transcribed Text] Seoul, March 26 (YONHAP) — The South Korean Government will seek parliamentary approval of a draft law of Seoul's declaration of 200-nautical-mile Exclusive Economic Zone (EEZ) as soon as a new National Assembly convenes this coming summer after the April 11 elections, a Foreign Ministry official said Tuesday.

The government's move came just after the Tokyo government passed early Tuesday its own draft declaration of a 200-mile EEZ.

A cabinet meeting of the Seoul government has already passed the draft law on EEZ last December for final ratification at the National Assembly which will be newly formed next month.

Ministry officials predicted no difficulties in upcoming negotiations between South Korea and Japan on the setting of boundaries of each country's EEZ as Japan decided to accept the United Nations Convention on the Law of the Sea which recommends its member countries to adopt median line and lines agreed upon with foreign countries as EEZ boundaries.

They failed, however, to elaborate on how to tackle the thorny issue of how to divide the EEZ boundaries around Tokto islets which are currently occupied by South Korea but has been consistently claimed by Japan.

President Kim Yong-sam and Japanese Prime Minister Ryutaro Hashimoto agreed early this month that the issue of territorial sovereignty of Tokto islet should be separated from the issue of setting EEZ boundaries in the East Sea surrounding Tokto.

ROK: Kim Yong-sam Aide Arrested in Bribery Probe

SK2503001296 Seoul THE KOREA TIMES in English 24 Mar 96 p 1

[Report by staff reporter Sin Hak-nim]

[FBIS Transcribed Excerpt] State prosecutors arrested Chang Hak-no, 45, a secretary for President Kim Yong-sam, last night on suspicion of taking bribes from businessmen.

Chang is suspected of having received 140 million won in bribes from three businessmen operating small firms, the Seoul District Prosecutor's Office said.

Prosecutors said they found that Chang took the money from the businessmen who sought his political influence.

Chang will face charges of violating the Law on Aggravated Punishment of Specific Crimes.

After two-days of questioning of the presidential secretary, his live-in girl friend and her brothers and other people, prosecutors found that some of the assets worth billions of won registered under the names of Chang's mistress, Kim Mi-cha, and her brothers actually belonged to Chang.

On Thursday, the opposition National Congress for New Politics (NCNP) alleged that Chang has approximately 3.7 billion won of assets hidden under the names of his mistress and her brothers.

However, prosecutors said yesterday that they have yet to find evidence that Chang is the actual owner of all of the 3.7 billion won. [passage omitted]

ROK: Opposition Criticizes Kim Over Aide's Corruption Probe

SK2403063296 Seoul THE KOREA HERALD in English 24 Mar 96 p 2

[FBIS Transcribed Text] The corruption scandal involving Chang Hak-no, President Kim Yong-sam's former top personal aide, weighed heavily on the presidential office of Chongwadae yesterday.

Embarrassment, anxiety and uneasiness prevailed as words from the prosecution were indicating establishment of a corruption case.

The snowballing Chang case, the first corruption scandal involving a core member of Kim's inner circle, is expected to damage President Kim's "Mr. Clean" image and cloud the already weak chances of his ruling party to gain a majority in the general elections now 17 days away.

Kim, who canceled a planned dinner with senior Chongwadae staff Friday, cut the usually longer weekly meeting with his senior secretaries to less than 10 minutes yesterday morning.

At the meeting, he lamented the Chang case and reaffirmed his will not to allow any sanctuary from law enforcement.

Chongwadae Spokesman Yun Yo-chun said that Kim did not go through the routine of receiving reports from the senior presidential secretaries and focused on the Chang case.

"I have been rigorously pushing for an anticorruption campaign, without allowing any sanctuary," Yun quoted the President as saying. "How can the man who assisted me at such a close distance be implicated (in a corruption case)?"

Chang was one of the President's closest personal assistants since the 1970s. Holding an assistant minister-level post at Chongwadae, he has taken care of the President's personal affairs since his inauguration.

Spokesman Hun said that the mood at the meeting was very depressed as President Kim referred to his endeavors so far to eradicate corruption and misdeeds and expressed his strong disappointment.

"I myself have been leading a puritanical life with self-restraint," he quoted Kim as saying. Kim mentioned his promise not to receive any political donations and his frugality campaign symbolized by the offering at Chongwadae of kalkuksu, a simple Korean noodle soup.

"I feel strong regret and bitterness," Kim said.

Yun said that the President renewed his commitment that he will continue to wage a rigorous anticorruption campaign during the remainder of his term of office.

"I would like to make it clear once again that whoever is involved in a corruption case will not be spared from due legal punishment, regardless of his past and present positions," Kim was quoted as saying.

Chang's case should be no exception and the principle that "all men are equal before the law" should be observed strictly in the case as well, Kim said.

Yun, citing the ongoing prosecution probe, said that it is too early to talk about the possibility of President Kim issuing a special statement about the Chang scandal.

But the opposition, emboldened by the revelation that Chang concealed his money through his live-in partner and her relatives, immediately demanded a direct apology from the President.

Opposition leaders argued that the Chang case attests to the fact that Kim's anticorruption drive and call for reform as a whole were nothing but a hollow slogan.

"President Kim himself must offer an apology and explanation to the people," Kim Chong-pil, leader of the United Liberal Democrats, said.

Kim Tae-chung, leader of the largest opposition National Congress for New Politics (NCNP), charged that President Kim's anticorruption campaign turned out to be a "pinpoint investigation," targeting just his political opponents.

"President Kim, in fact, has been nurturing corruption under his own feet," the opposition leader said.

Kim Tae-chung, who vowed to call a parliamentary hearing on the President's 1992 election funds, renewed his demand that the President come clean on his past election funds.

"The more serious problem (than Chang's corruption case) is that he would not disclose his election finances," he said. The NCNP leader has claimed that President Kim received at least 300 billion won from the jailed former President No Tae-u to bankroll his 1992 presidential election campaigns. The President denied the allegation in the past.

President Kim's close associates at Chongwadae, put on the defensive, refuse to go on the record about either the Chang case or the elections, but do not hide their bafflement.

"I wish I could tender my resignation," a senior Chongwadae offficial said.

The primary apprehension gripping the senior official and other close aides to the President is the probability that the corruption scandal, hitting the heart of the Kim presidency, may damage his reputation as a clean president and wipe out his anticorruption and reform achievements, thus darkening the NKP's chances in the April 11 elections.

Analysts also say that the Chang scandal may serve to put greater pressure on the President regarding his 1992 election funds and the political financing of his associates.

ROK: Effect of Presidential Aide Scandal on Elections Assessed

SK2303064496 Seoul THE KOREA TIMES in English 23 Mar 96 p 2

[Report by staff reporter Pak Sung-yong]

[FBIS Transcribed Text] A dirty money scandal involving a secretary to President Kim Yong-sam is expected to deal a blow to him and his New Korea Party [NKP]. The party has been campaigning on a slogan of "clean politics" free from corruption ahead of the April 11 National Assembly elections.

Presenting copies of official documents of real estate ownership as evidence, the main opposition National Congress for New Politics [NCNP] Thursday charged that Chang Hak-no, President Kim's secretary, had amassed 3.7 billion won ($4.7 million).

The President, accepting Chang's resignation, called for a "thorough" investigation into the allegation that Chang is concealing the 3.7 billion won in financial assets and real estate in the names of his live-in girlfriend and her relatives, and the prosecution immediately launched a probe.

The incident is seen as a blow to President Kim, who, since becoming president, has tried to cultivate a Mr. Clean image, instituting banking reforms and spearheading a campaign to uproot graft.

In a historic move, he has brought his two predecessors to stand trial on charges of amassing huge illegal political funds while in office. They are also being tried on treason and mutiny charges stemming from the 1979 coup that brought them to power.

The scandal is also expected to be one of the dominant campaign issues for the upcoming general elections, where all 299 seats in the unicameral legislature are at stake.

Opposition parties, which have long accused Kim of having accepted dirty money from jailed ex-president No Tae-u, are poised to take most advantage of the scandal in their attempt to raise support by linking Kim and his party to improper funds.

A ranking official of the NCNP claimed yesterday that the scandal demonstrates how fictitious the Kim Yong-sam administration's reform slogan has been. "How can Kim, who failed to prevent corruption among even his closest confidants, call for reform and moral integrity to the people?" he said.

The opposition party even held a press conference where divorced wife of a brother of Chang's live-in companion, in which she alleged she "laundered" as much as 100 million won of Chang's money.

Kim Hong-sin, spokesman of the minor opposition DP [Democratic Party]'s campaign committee, maintained in a statement that if the allegation is true, it shows the current government has serious moral defects.

Kim went on to allege that the President's other relatives and associates are also involved in various irregularity cases and urged the prosecution to immediately and thoroughly look into the cases.

Yun Pyong-ho, vice spokesman of the splinter opposition United Liberal Democrats, said the scandal involving one of President Kim's closest confidants shows the government's reforms are nothing but an empty slogan.

He went further and accused Kim of having been aware of and condoning Chang's wrongdoings.

The presidential office of Chongwadae and the NKP seem embarrassed by the allegations surrounding Chang one of Kim's closest aides, since the President has rigorously acted to prevent irregularities among his relatives and associates.

Chang has served as a live-in secretary to Kim and his family for 20 years since the two became acquainted as a member of an early- morning neighborhood football club when Chang was a university student in 1977.

The ruling camp refrained from making any counterattack on the opposition's allegations yesterday, quietly working out measures to minimize the impact of the incident. The only reaction from the NKP was to wait for the outcome of the ongoing investigation by the prosecution.

An NKP official denied the allegation that President Kim was aware of Chang's wrongdoings, saying, "With firm determination, the government and its party will continue efforts to eradicate corruption."

There would be no sanctuary for graft, he added.

NKP spokesman Kim Chol, emerging from a party campaign committee meeting, said the party will not comment on the incident until the ongoing prosecution probe is over.

But the scandal could lead to another round of dogfighting between the rival parties because there is the strong sentiment in the ruling party that it can't sit doing nothing at the propaganda offensive on the basis of unfounded rumors.

Spokesman Kim hinted at the possibility of counterblow, saying, "After the investigation is completed, we will see if there is any step to take politically and legally."

The opposition parties, especially the NCNP, are also reportedly preparing the second and third bombshells that they can drop on the ruling party in case it fails to deal with the case properly.

ROK: Kim Yong-sam Wants Aide's Case Dealt With 'Strictly'

SK2303075996 Seoul YONHAP in English 0425 GMT 23 Mar 96

[FBIS Transcribed Text] Seoul, March 23 (YONHAP) — President Kim Yong-sam instructed law enforcement authorities Saturday to punish his former personal secretary Chang Hak-no promptly and sternly.

Expressing "a sense of serious frustration and bitter sorrow" at suspicious corruption surrounding Chang, President Kim declared, "anyone implicated in corruption and irregulaties, regardless of the position he held or holds, will not be given any favorable consideration whatsoever."

Presiding over a meeting of his senior secretaries at Chongwadae [presidential offices] Saturday morning, Kim asked the government to deal with Chang's case strictly according to principle.

Presidential spokesman Yun Yo-chun quoted Kim as saying, "in handling Chang's case, it must be demonstrated once again that everyone is equal before the law. As my relatives involved in irregularities have been dealt with more sternly than ordinary citizens, so will it be in the future."

Since taking office in 1993, the Kim Yong-sam administration has energetically enforced an anti-corruption drive.

Kim urged Chongwadae staff to renew their resolve and learn a lesson from the Chang case.

ROK: Prosecution Focuses on Former Presidential Aide's Assets

SK2303073996 Seoul YONHAP in English 0250 GMT 23 Mar 96

[FBIS Transcribed Text] Seoul, March 23 (YONHAP) — A prosecution investigation has proved that Chang Hak-no, a former aide for President Kim Yong-sam, is the actual owner of some assets registered under the names of his live-in girlfriend and her brothers, an informed prosecution source said Saturday.

The source said that the investigation is now focusing on how Chang amassed the fortune.

The Seoul District Prosecutor's Office summoned Kim Mi-cha, 48, Chang's live-in girl friend, her elder brother Kim Ui-kang, and her three younger brothers Kim Sung-han, Sung-yong and Sung-ho Friday night and confirmed that some of the assets held in their names actually belong to Chang.

The prosecution plans to seek an arrest warrant for Chang if it is discovered that Chang accepted any bribes or accumulated the wealth in some other illicit ways.

Kim Ui-kang reportedly told investigators that his sister entrusted him with 400 million won (about 510,000 U.S. dollars) that was Chang's money in 1993 and asked him to keep it in his name. Ui- kang said he used the money to buy about 9,900-square meter plot of land in Yangpyong County in Kyonggi Province.

Sung-han's wife Yi Mi-suk, an employee of an insurance company, reportedly told investigators that Kim Mi-cha gave her 300 million won in cash in November 1993. "She said it was Chang's money and asked me to put the money into insurance company accounts held in my husband's and his brothers' names," Yi was quoted by the source as saying.

The prosecution obtained search and seizure warrants from the court to examine the bank accounts of Chang, his girl friend Kim Mi- cha, her brothers and Yi.

Chang, 45, first became a close aide of President Kim Yong-sam in 1977 and has done "steward" work for Kim for nearly 20 years. When Kim became president in February 1993, Chang was appointed a grade- one official at Chongwadae [presidential offices] in charge of miscellaneous duties.

Last Thursday, Paek Hae-suk, ex-wife of Kim Sung-yong, blew the whistle on Chang's alleged illicit amassing of wealth by reporting it to the main opposition National Congress for New Politics [NCNP], and the party led by Kim Tae-chung claimed that Chang has approximately 3.7 billion won in assets hidden under the names of his live-in girl friend and her brothers.

But Chang denied the opposition party's allegation while be questioned by prosecutors office investigators.

Paek told reporters at the NCNP building Friday that one day she heard Kim Mi-cha say that shortly after Chang started to work in Chongwadae, the presidential mansion, he brought 100 million won home "almost every day."

ROK: 'New Facts' Uncovered During Chon-No Trial

SK2603080796 Seoul YONHAP in English 0619 GMT 26 Mar 96

[FBIS Transcribed Text] Seoul, March 26 (YONHAP) — In the third trial session of former soldier-turned Presidents Chon Tu-hwan and No Tae-u and their subordinate officers on mutiny charges Monday [25 March], the following new facts were uncovered during prosecutors' questioning.

President Choe's Refusal To Approve

Defense Security Commander [DSC] Maj. Gen. Chon Tu-hwan, after President Choe Kyu-ha turned down Chon's request for approval of the arrest of Army Chief of Staff Gen. Chong Sung-hwa at 8:30 PM on Dec. 12, 1979, returned to the 30th Security Group in the Kyongbok Palace.

And at 9:30, Chon, accompanied by five Army generals — Hwang Yong-si, Yu Hak-song, Cha Kyu-hon, Pak Hui-to and Paek Un-taek, again visited President Choe at his residence to press for his approval of Chong's arrest. [punctuation as received]

In the presence of Prime Minister Sin Hyon-hak and Chief Presidential Secretary Choe Wang-su, Chon introduced the generals standing in line, saying, "This is Assistant Defense Minister for Logistics Yu Hak-song, this is First Army Corps Commander Hwang Yong-si..."

The then president waved them to take a seat.

Chon said, "Your excellency, as I told you before, it has been an investigation practice that the defense security commander does not seek the president's approval in advance when he arrests the chief of staff, an army commander or other ranking army officers on some important charges, as seen in the cases of Pak Im-hang and Yun Pil- yong."

Choe replied, "Well, I got you. But it's proper to go through lawful procedures, regardless of whatever practices existed in the past. So, I'd like you to bring me the defense minister."

When Yu and Hwang again pressed for approval, President Choe didn't say anything and a cold silence prevailed for about an hour.

Then Chief Presidential Secretary Choe quietly told the generals to bring the defense minister.

Thus, the generals left the president's residence at 10:30 to search Defense Minister No Chae-hyon.

Just before the dawn the following day, the mutiny leaders found Defense Minister No in the basement of the Defense Ministry and at his recommendation, President Choe signed a letter of approval for Chong's arrest as 5:10 AM on Dec. 13.

Pak Chun-pyong's Participation in Coup

Chon contacted 20th Division Commander Pak Chun-pyong on Dec. 8, 1979, suggesting, "See you at my house tomorrow morning." The two generals got together the following day, or two days before the coup, at Chon's home in Yonhui-tong, southern Seoul.

During the meeting, Pak asked Chon to help him with his bid to have Chief of Staff Gen. Chong Sung-hwa okay his plan to get his troops, who had long been mobilized for military exercises, back to their garrison for them to prepare for coming winter months. On his part, Chon asked Pak to attend a meeting of generals on the afternoon of Dec. 12, 1979, saying, "We are going to get together to discuss taking Chong into custody."

Prosecutors tried to get Pak to admit that during the meeting Chon explained in detail his action plans — Chong's arrest, invitation of commanding generals close to Chong to a dinner, and seeking President Choe's approval for Chong's arrest. Pak, however, only made a partial admission, saying, "Chon only proposed that we are to discuss taking Chong into custody."

Army Headquarters' Countercoup Efforts

On Dec. 12, 1979 at 9 PM, Vice Army Chief of Staff Yun Sung-min ordered So Chun-yol, army administration school commandant, to drain all of the oil from the trucks so that the 20th Division soldiers, who were stationed at the school at that time, could not move. Gen. So relayed Yun's order to Col. No Chong-hyon, the 20th Division's chief of staff, but he did not obey it at the request of his immediate boss, Gen. Pak Chun-pyong.

Capital Garrison Commander Chang Tae-wan ordered the arrest of Gen. Pak Chun-pyong, but he was not arrested because he did not return to the division command that day.

Compilation of 'History Before the 5th Republic'

No Tae-u proposed making this book Dec. 14, 1979, and, while he was in office as defense security commander in the early 1980s, had Chong To-yong, then DSC security division chief, supervise the compilation of the book.

The book was published in early May, 1982, when then Gen. Pak Chun-pyong was DSC commander. Only three sets of the book were published and they were to be kept in DSC building and Chongwadae [presidential offices] for 20 years beginning in 1982.

Nine people including professors of the Korea Military Academy and some non-military figures wrote the book.

Then Pak told them to make the book "From the Standpoint of Historians." But now with the books being exploited by the prosecution as useful references for questioning those involved in the Dec. 12 military coup, he bothered to belittle the book, saying, "The book leaves much to be desired because the authors were not able to have enough interviews with either side of rival parties involved in the incidents."

The book, covering the period between 1979 and 1981, is made up of six volumes and three supplements, with a total of 3,800 pages.

The prosecution obtained a set of the books at the DSC.

Chang Se-tong's Role in Deterring Countercoup Forces

Chang, then chief of 30th Security Guard Brigade, talked to Yi Hui-song, then director of the Korea Central Intelligence Agency, on the telephone three times on the night of the Dec. 12 military coup to ask him to try and coax the anti-coup d'etat leaders to give up moving its forces to attack the coup d'etat forces.

Questioned by the prosecution, Chang said, "There were three telephone dialogues between me and Yi. Yi called me first, and I asked him to take steps to prevent possible armed clashes by deterring the army headquarters from moving the 9th Airborne Forces Brigade... Yi called back hours later and told me that the 9th Airborne Brigade Forces would not be moving out."

ROK Editorial Comments on Preelection Political Climate

SK2603021796 (Internet) The Digital Chosun Ilbo WWW in English 1400 GMT 25 Mar 96

[Editorial: "A Mine-Field Of Illegality"]

[FBIS Transcribed Text] The goings-on in the political arena are alarming. The formal period for permissible campaigning commences Tuesday yet already there are widespread claims that the forthcoming general election will be a "money election" and that everywhere those out on the political hustings are breaking the law. If such alleged behaviour continues there is a very good chance that the common "clean election" description of the forthcoming election will be a merely hollow echo. The Election Management Committee, prosecutors and other related bodies charged with the enforcement of the Election law must not only give lip service to the foreshadowed "strong punishment" to be dished out to violators of the law but they are duty-bound to thoroughly check the playing field and prosecute without mercy those who do breach the law.

It is entirely appropriate for the government to summon together representatives of all authorities which carry a function in connection with the election with a view to increasing the size of the supervision team in charge of ensuring that the election and campaign activities are carried out with strict compliance to the Election Law and to undertake extensive superintendence to ensure that the interferences of public servants and the activities of autonomous groups do not result in campaigns being carried on throughout the means of the crafty breach of the Election Law. The fact that there are currently 25 government officials, 13 of whom are popularly elected leaders of autonomous groups, under investigation on suspicion by the authorities for having been involved in unlawful election activities indicates that public officials are not at this point in time displaying a completely neutral stance. Regrettably, also, it may be observed upon consideration of the nature of the crimes allegedly committed by these officials that this election threatens to turn into one predicated on money.

For example, there is a report that three opposition candidates applied for a court order to prevent Daewoo Motors from holding a local charity fair on the grounds that the real purpose behind the activity was to support the election campaigns of candidates on the ruling party ticket who had previously worked at the company. The fact that events put on by autonomous groups involving the participation of normal members of the public can be banned due to the possibility of their being misused for election purposes then it is clear there is an increased likelihood that the holding of similar functions by businesses will constitute breaches of the law. In order to preserve a fair election atmosphere it is necessary that such improper campaigns activities are completely stamped out.

The current government seems to advocate "clean elections" as if it has an exclusive right to do so. However, an examination of the election crimes committed to date reveals that the ruling party is the worst culprit having been implicated in 76 breaches of the law. How can such a contradictory state of affairs be explained? Without self-sacrifice by the ruling party itself there will be slender chance of correcting an electoral environment which has until now gone very badly as [illegible].

ROK Editorial Discusses 'Crony' Politics in ROK

SK2603021996 (Internet) The Digital Chosun Ilbo WWW in English 1359 GMT 25 Mar 96

[Editorial: "Limits of Old Style Politics"]

[FBIS Transcribed Text] The financial scandal surrounding presidential aide Chang Hak-no brings to light the evil of so-called "family subject" or "crony" politics. Leaders of the ruling party, such as Yi Hoe-chang and Pak Chan-chong, have strongly criticized this as "an evil practice of the era of the 'three Kims', confined not to the ruling or opposition parties, whereby party servants are elevated to positions of power without proper credential screening as a sort of reward for political family-type loyalty resulting in the perpetuation of a chain of corruption" and advocate that "this type of politics of favours for clan loyalty must be eradicated if an advanced political system is to be realized". Many of those too who were unsuccessful in achieving nomination on the National Congress for New Politics ticket for the forthcoming general elections have also claimed that their omissions were causally connected to that party's leader, Kim Tae-chung's, practice of adhering to such crony politics and subsequently, in apparent dissension, demanded the return of their ticket contribution monies.

We ought to first seek a definition of "cronies" politics. It is perhaps plausible to regard those servants and aides close to Kim Tae-chung and Kim Yong-sam who, through the bitter wars fought by these two political leaders during the period when they both navigated opposition parties, underwent the same hardships and agonies as their masters and were at no time guilty of betrayal rather with absolute loyalty protected the secret and private matters they were entrusted with as innermost cronies at all times entitled to sit by the side of their masters. These cronies accordingly share in the leadership roles of their masters and for their undying formal party loyalty as well as their preserving of a closer personal fidelity they are rewarded with position and accompanying affection, trust and consideration. Such master-servant relationships can of course arise naturally from human relationships which are formed in society and indeed this can be a very desirable phenomenum. Where one's master achieves success as a result of loyal bonds the reward of his or her servants may be quite appropriate. Amongst the political cronies there are some who are inadequately equipped for their position and duties however it cannot be said that all such servants are bad. Their are some who hold public office and who carry out their roles with the utmost of good morals and skill. Problems arise where political aides who do not officially hold an office of importance are able to exercise unfettered power as a entity of force and hold a real and exclusive right of decision- making in respect of the management of affairs entrusted to an official public office. Parties, unlike the times when they exist as opposition forces, should upon being given the mandate the rule, cleanly separate the official system of organizational management from any unofficial system that may exist involving aides and cronies. Critics of crony politics attribute its continued existence to the politics of the "three Kims". Whatever the case may be, such as political environment that is shaped by crony politics is pre-modern and of an old generation and a vestige of the patron-client politics of feudal days. It is imperative that we replace feudalistic factionalism with a new type of modern and post-modern political system. This in a nut-shell is the lesson we must learn from the incident concerning Chang Hak-no.

ROK: Chongwadae Staff Urged To Stay Away From 'Misdeeds'

SK2603032996 Seoul THE KOREA HERALD in English 26 Mar 96 p 2

[FBIS Transcribed Text] Chongwadae [presidential offices], hit hard by the Chang Hak-no corruption scandal, is moving fast to shake itself out of the first graft case involving a close associate of President Kim Yong-sam.

There was no official statement from the presidential office yesterday, but senior officials indicated that the Chongwadae staff will be put under tighter scrutiny.

Chief of Staff Kim Kwang-il called in all high- and mid-level Chongwadae officials yesterday morning, calling on them to stay away from any irregularities and misdeeds.

"Each of us has to look around ourselves first and renew our commitment (not to be involved in any corruption case)," Kim said.

The main opposition National Congress for New Politics (NCNP), which broke the Chang case, indicated that it was probing similar cases of several other assistants to President Kim.

Chief of Staff Kim said that each senior presidential secretary's office will have to conduct a "self-inspection" if any of its staff is under suspicion or accusation for misdeeds.

"Even rumors should be subject to the inspection," Kim said.

It has yet to be seen, however, whether or not the Chang scandal will result in a sweeping in-house cleaning at the presidential office which groups the President's political appointees and career civil servants.

Chang, jailed Saturday on charges of receiving illegal money from businessmen, was a key member of the President's inner circle who entered Chongwadae along with their boss in February, 1993.

There were unconfirmed reports that Chongwadae may set up a new in-house watchdog office in the wake of the Chang scandal, but senior officials quickly dismissed the idea.

"The office of the senior presidential secretary for civil and judicial affairs is already doing that job," a senior official said. "We may employ stricter ethical guidelines and closer surveillance but it is unlikely that the President will agree to the idea of establishing a new watchdog agency.

But the Chang case, already a dominant issue in the general election campaigns which officially kick off today, is expected to put pressure on President Kim to review the individual qualifications and ethical standards of his top aides.

Newspaper editorials and commentaries, finding fault with the President for placing unqualified associates to public posts, called for legal and institutional reforms, including the introduction of confirmation hearings.

Such a call was raised even by a top official of President Kim's ruling New Korea Party (NKP), which is striving hard to maintain a majority on the National Assembly.

Pak Chan-chong, a popular former legislator recruited by Kim to boost the NKP's chances in the April 11 elections, said that all the assistants to the President should have their qualifications examined because the presidential office is the source of power in Korea.

"The Chang case should serve as an occasion to ensure that all the presidential assistants go through a public process of proving their qualifications prior to appointment," Pak said.

ROK: 54 Percent of Voters Refuse To State Preferences

SK2303043896 (Internet) The Digital Chosun Ilbo WWW in English 1225 GMT 22 Mar 96

[Editorial: "Non-Responder's Respond"]

[FBIS Transcribed Text] 53.6 percent of those surveyed refused to specify their favorite candidates for the April 11 general election in joint-research done by the CHOSON ILBO and Korea Gallup. It is not normal in any sense that more than half of the voters did not reveal whom to support when the election is only 20 days away. Politicians may have to risk their political lives to attract as many votes of those non-respondents. In this situation, predicting the outcome of the election may be almost meaningless.

It would be advisable to try to understand exactly why so many have chose to remain silent. The main reason is that voters are disillusioned with the current political scene. Though there is a tendency in our country not to reveal one's mind, this cannot explain the situation given that 90 percent of the people were in support of President Kim Yong-sam early in his administration.

During last June's local election, the government eroded much support previously provided by the middle class due to a series of mistakes, resulting in a boom for the opposition. Not to be outdone, in-fighting among the opposition led to splits not along party lines but was influenced by personality and regionalism. This disappointed the voters and led to a loss of interest and support.

Let's not prejudge and say that, because voters have not chosen to speak that they have not made a choice. If these factors are considered, the weakness of the ruling party combined with strong regionalism, as always, are likely to show up in this election.

All candidates should strive to create hope and confidence among those voters who remain passive as they will be a deciding factor in the up-coming election. Gone are the days when the voters could be won over with lip-service and trickery.

ROK Political Parties 'Increasingly' Relying on Smear Campaigns

SK2303050196 Seoul THE KOREA TIMES in English 23 Mar 96 p 2

[FBIS Transcribed Text] With the general election only 19 days away, political parties are increasingly engaged in exposing each other's dirty linen to taint rival parties' reputations.

In the wake of recent scandals surrounding Presidential secretary Chang Hak-no and Rep. Yu Chun-sang's allegation that Kim Tae-chung, leader of the National Congress for New Politics, literally sold nominations political parties are sliding into a dogfight of demagoguery and unsubstantiated accusations to woo "undecided" voters.

According to the recent media and political parties' independent poll surveys, some 35 percent of eligible voters have not made up their minds for whom to vote.

The survey shows that the ruling New Korea Party [NKP] is consolidating support for its candidates in its political homebase of Pusan and Kyongsangnam-to, and the National Congress for New Politics is reaffirming the grassroot support for its congressmen hopefuls in the major opposition party's stronghold of the Honam area. The United Liberal Democrats is seeing its candidates a stride ahead of their rivals in Chungchongnam-to.

The poll results also demonstrate that no particular party candidate is leading the race in Seoul and its neighboring cities.

Both the ruling and opposition parties are planning to help solidify their candidates' leads in their strongholds and concentrate their campaign efforts on hotly contested electoral districts from March 26, when the official campaign period starts.

The ruling NKP apparently is attempting to put an end to the scandal as soon as possible in order to minimize its effect on the general elections.

NKP Chief Campaign Manager Yi Hoe-chang said, "No one can get away with wrongdoing. Presidential secretary Chang's scandal will be dealt with strictly according to the law."

The ruling party's spokesman also claimed, "Even though the NCNP denies the charges of selling nominations, we do have strong evidence."

The NCNP spokesman said that Chang's scandal will place hurdles on the ruling NKP's campaign efforts in the metropolitan Seoul area.

He added that in case prosecutors launch a probe of the NCNP in the course of probing Chang's alleged money scandal, the party will rise up because it is a kind of oppression of the opposition parties.

The NCNP spokesman said that the party has evidence and a witness who can substantiate the party's claim that President Kim received 300 billion won from No Tae-u in connection with his 1992 presidential campaign.

The United Liberal Democrats and the Democratic Party also joined the NCNP's verbal assault on President Kim Yong-sam and urged him to disclose details of the election fund allegations.

ROK Premier Urges Civil Servant Neutrality in Elections

SK2503050796 Seoul YONHAP in English 0253 GMT 25 Mar 96

[FBIS Transcribed Text] Seoul, March 15 (YONHAP) — With formal campaigning for the April 11 general elections only one day away, Prime Minister Yi Su-song instructed civil servants Monday to maintain "strict political neutrality lest they should give rise to a misundertanding of interfering in the elections."

Presiding over a meeting of election-related ministers, Yi also instructed the ministers to see to it that the handling of civil petitions is neither delayed nor evaded on account of the elections and that various administrative violations are neither connived at nor abetted.

Justice Minister An U-man, meanwhile, reported to the meeting that a total of 542 people, including 46 lawmakers, 13 heads of local autonomous bodies and 25 civil servants, had been cited for violations or evasions of election laws as of last Thursday.

Of that number, 260 had been booked, 20 with physical restraint, and secret investigations were underway for the remaining 282.

Of those booked, 90 were independents, 76 were from the New Korea Party, 52 from the National Congress for New Politics, 22 from the Democratic Party, and two from the United Liberal Democrats.

ROK: CEMC Cautions Lawmakers on Unlawful Electioneering

SK2503113596 Seoul YONHAP in English 1046 GMT 25 Mar 96

[FBIS Transcribed Text] Seoul, March 25 (YONHAP) — The Central Election Management Committee [CEMC] said Monday it had sued an opposition lawmaker and served warnings to 31 other ruling and opposition legislators for their unlawful acts of electioneering.

The only solon sued was Rep. Pak Kye-tong of the Democratic Party [DP].

Pak is suspected of having denounced other parties and called for the support of DP candidates at speech sessions in violation of the Election Law.

The 31 lawmakers cautioned included Kim Chung-wi and 15 other ruling New Korea Party solons: Cho Se-hyong and four others of the National Conference for New Politics: Yi Chol and five other DP solons: and Pak Kyu-sik and three others of the United Liberal Democrats.

ROK: NCNP Lists Proportional Representation Candidates

SK2403070296 Seoul THE KOREA TIMES in English 24 Mar 96 p 2

[FBIS Transcribed Text] The main opposition National Congress for New Politics announced yesterday its list of candidates for proportional representative seats for the 15th National Assembly, placing party leader Kim Tae-chung as low as 14th.

The party said NCNP leader Kim was placed 14th instead of the top spot in a move aimed at rallying as many voters as possible behind NCNP candidates running nationwide to ensure him of an Assembly seat.

Heading the slate of the candidates is Chong Hui-kyong, co- chairwoman of the NCNP election campaign committee, followed by Pak Sang-kyu, former chairman of the Small and Medium Business Association, and lawyer Yi Sung-chae.

Yi Tong-won, former foreign minister under the late president Pak Chong-hui, was seventh, preceded by writer and TV talk show host Kim Han-kil and Rep. Pak Chong-su who joined the NCNP after leaving the ruling New Korea Party. Party President Kim Tae-chung was 14th on the list.

Three women were included on the list. They are Chong, woman activist Sin Nak-kyun and Han Yong-ae, member of the party's executive committee. The NCNP believes those placed 15th or lower on the list may not gain a seat in the 15th Assembly.

Under the current law, a total of 46 seats are reserved for the proportional representation and will be allotted to the political parties in proportion to the number of votes their candidates mustered in the upcoming elections.

NCNP leader Kim's righthand man Rep. Kwon No-kap was ninth.

Among the other candidates are former Lt. Gen. Chon Yong-taek, 10th, professor Kil Sung-hum 4th, May 18 Kwangju protest leader Kim Chong-pae 13th, and labor activist Pang Yong-sok 12th.

Former lawmaker Song Hyon-sob was 15th for his "contribution" when NCNP leader Kim broke away from the Democratic Party with a host of his followers.

The ruling NKP and opposition DP and United Liberal Democrats are to announce their proportional candidates tomorrow or Tuesday at the latest, the deadline for the registration of candidates.

List of NCNP Proportional Candidates 1. Chung Hui-kyong, 65, Educator 2. Park Sang-kyu, 60, Businessman 3. Yi Sung-chae, 38, Lawyer 4. Kil Sung-hum, 60, Professor 5. Pak Chong-su, 64, Ex-NKP Lawmaker 6. Kim Han-kil, 44, Writer 7. Yi Tong-won, 70, Ex-Foreign Min. 8. Sin Nak-kyun, 55, Woman Activist 9. Kwon No-kap, 66, NCNP Lawmaker 10. Chun Yong-taik, 59, Ex-Lt. Gen. 11. Han Yong-ae, 54, NCNP Member 12. Pang Yong-sok, 50, Labor Activist 13. Kim Chong-pae, 43, Kwangju Uprising Leader 14. Kim Tae-chung, 71, NCNP President 15. Song Hyon-sop, 60, Ex-Lawmaker 16. Yi Hun-pyong, 52, NCNP Member 17. Kim Tae-rang, 52, NCNP Member 18. Pak Yang-su, 52, NCNP Member.

ROK: NKP Nominates Election National Constituency Candidates

SK2603050696 Seoul YONHAP in English 0223 GMT 26 Mar 96

[FBIS Transcribed Text] Seoul, March 26 (YONHAP) — The ruling New Korea Party (NKP) nominated 46 proportional representation national constituency candidates Tuesday for the 15th general elections slated for April 11.

Yi Hoe-chang, chairman of the NKP election campaign committee, was placed first in the list of the nominees, Yi Hong-ku, advisor to the committee, second and former National Assembly speaker Yi Man- sop third.

A total of 253 lawmakers are elected by district constituencies and the remaining 46 are elected according to the proportion of votes each party obtains from the total number of votes cast.

Rep. Pak Chan-chong, chief of the election campaign headquarters for the metropolitan area, was given 21st place. If the NKP wins 40 percent of all votes given to candidates affiliated with political parties, the most it expects, Pak will be given a National Assembly seat.

Kim Myong-yun, senior vice president of the advisory council for democratic and peaceful unification, was placed fourth and Kwon Yong-cha, former minister of political affairs, fifth.

ROK: Fair Trade Commission Probes Bank Collusion Charges

SK2603024896 Seoul THE KOREA TIMES in English 26 Mar 96 p 9

[FBIS Transcribed Text] Banks are being probed for an alleged collusion in setting lending rates and exaggerated and misleading advertising.

The Fair Trade Commission (FTC) is looking into 12 banks, including eight major Seoul-based banks, to check whether they colluded with each other in setting lending rates and interest rates schedules. Last week, the commission dispatched its personnel to four banks including Kookmin, Cho Hung, Hanil and Kwangju. It will complete the probe into the other banks by the end of this month.

The FTC's investigation started after Deputy Premier-Finance and Economy Minister Na Ung-pae urged banks to lower lending and deposit rates. Although most lending rates have been deregulated, banks have been setting almost identical lending rates. Many major banks announced changes in interest rates almost simultaneously, an FTC official said.

The FTC is also checking whether banks still maintain internal codes that are out of tune with new liberalized and deregulated rules.

Despite financial deregulation and liberalization, banks have long been conspiring not to compete with each other, to the disadvantage of customers. Ministry of Finance and Economy officials said that banks are slow in catching up with changes in financial rules.

Many banks are also under fire for publishing advertisements that often frustrate borrowers and customers. For example, a Seoul bank said it will extend loans up to 100 million won to individuals. Upon tips, customers rushed to the bank, only to find that the privileged are able to enjoy the loan facility.

ROK: Quality of Life 'Lagging' Behind World Standards

SK2403060596 (Internet) The Digital Chosun Ilbo WWW in English 1205 GMT 23 Mar 96

["Quality of Life Still Lagging" — Digital Chosun headline]

[FBIS Transcribed Text] Korea has now achieved a per capita income of $US10,000 but despite this the quality of life here is still low.

LG Research on Saturday released figures comparing the standard of living with other advanced countries, studies being based temporally upon the living standards experienced by the people of those countries at the time of their respective attainment of a $US10,000 per capita income level. (The US attained such a level in 1978, Germany in 1978 and Japan in 1984).

The social security/welfare distributed to Korean citizens in 1994 constituted 1.9 percent of its GDP whereas Germany at the relevant time allotted 12.0 percent, the US 9.2 percent and Japan 6.1 percent of their respective GDPs. In 1994 there were 1.2 medical doctors out of every 1,000 people as compared with, again at the relevant time, 2.3 in Germany, 1.9 in the US and 1.5 in Japan.

Brunei, Malaysia & Singapore

Singapore

Singapore: Repurchase Agreement Signed With Philippine Central Bank

BK2603113996 Singapore THE STRAITS TIMES in English 26 Mar 96 p 35

[Report by Bloomberg]

[FBIS Transcribed Text] The Monetary Authority of Singapore (MAS) and the Philippines central bank have signed a memorandum of understanding that will give the countries access to more funds to combat currency speculation.

The MAS, which has most of the functions of a central bank, said the repurchase agreement with Bangko Sentral ng Pilipinas [Central Bank of the Philippines] "illustrates the growing cooperation and goodwill between the two agencies".

The accord is the latest in a series of agreements between various Asia-Pacific countries that economists say may form the potential core of a grouping of regional central banks.

Repurchase, or repo, agreements allow each country to raise dollars from the temporary sale of US Treasury securities to support their own currencies.

The country needing to support its currency can then sell the dollars and buy its own currency in the market.

Under a repurchase agreement a country would sell securities for an agreed amount to the other central bank with a commitment to buy them back later for a specified price.

Singapore: Police, Software Associations Seize Counterfeit CD-ROM's

BK2603111596 Singapore Radio Corporation of Singapore in English 1000 GMT 26 Mar 96

[FBIS Transcribed Text] Police and two software associations have seized about 5,800 CD-ROM's worth over $1 million [Singapore dollars]. It is believed to be the largest single seizure for suspected counterfeit CD-ROM's in Singapore. Officials from the Software Publishers Association and the Alliance Against CD-ROM Theft, or AACT, joined police in carrying out the raid yesterday. They raided two vans parked at Queens Street, where they found the counterfeit products. The officers then raided two shops at Shendon Square and another in Katong Shopping Center. The drivers of the two vans were arrested for copyright infringement and will be charged in court tomorrow.

Cambodia

Cambodia: Deminers, British Supervisor Kidnapped by Khmer Rouge

BK2603072396 Hong Kong AFP in English 0709 GMT 26 Mar 96

[FBIS Transcribed Text] PHNOM PENH, March 26 (AFP) — Twenty-six Cambodian deminers and their British superviser were kidnapped by Khmer Rouge guerrillas Tuesday in the northern province of Siem Reap, officials and aid workers said.

The deminers were working to clear a road in Gradow village in Angkor Thom district near the 12th-century Angor Wat temple complex. They were abducted at gunpoint between 9:00 a.m. and 10:00 a.m. (0200 and 0300 GMT) and driven north to the district of Varin, they said.

The kidnappers, believed to be a group of about 25 Khmer Rouge who were sighted in the area Monday night, have discussed a ransom of 10,000 baht (400 dollars) each for the Cambodian deminers, according to a Siem Reap source familiar with the incident.

"We did not hear anything about a foreigner though," he added.

"We overheard a radio conversation between the Khmer Rouge and the government," the source said, adding there was little doubt the Khmer Rouge were responsible.

"The figure of 10,000 baht was discussed, but it was not what I would consider a demand."

A senior aid agency official in Phnom Penh said 33 people employed by the British-based Mines Advisory Group (MAG), including Christopher Malone Howes, 36, of Bristol, England had gone to the site, a German-funded road project.

"They got there and there was nothing around, no noise, eerie," the official said. "The Khmer Rouge had come to the area the night before and told the people to keep quiet. Then the guys were taken.

"The six who escaped ran through a mined area and were not pursued. They reported it," the official said.

A British embassy spokesman said the embassy had been notified of the incident and was looking into it.

Authorities in Siem Reap, 314 kilometers (220 miles) northwest of Phnom Penh, said they were [words indistinct] matter "very seriously" but said they did not know if the Khmer Rouge were responsible.

"We are taking serous measures to investigate this case and arrest the kidnappers," said Kong Heang, a deputy governer of Siem Reap.

Another official said he thought the kidnappers were government soldiers who had either been demobilized or deserted.

Demobilized government troops in the area have been complaining recently of extreme poverty.

Though the Khmer Rouge have been forced out of areas around Angkor Wat, small groups of the rebels are known to operate in more remote parts of the province.

Last January, an American tourist and her driver were killed by guerrillas as they drove from Angkor Wat to the smaller temple of Banteay Srei north of Siem Reap town.

Abductions are a staple tactic of the Khmer Rouge, who are fighting a guerrilla war against the elected coalition government.

In the past two years, hundreds of Cambodian civilians and seven foreigners have been kidnapped by the guerrillas. Only one of the foreigners was released, the other six were murdered.

Cambodia: CPP Lays Groundwork for 1998 Elections

BK2603043996 Phnom Penh THE CAMBODIA TIMES in English 17-23 Mar 96

[Report by Chheang Sopheng and Ros Sokhet in Phnom Penh — received via Internet]

[FBIS Transcribed Text] While other political parties are still trying to solve internal problems, the Cambodian People's Party (CPP) is already laying the groundwork for the next national elections in two years.

Second Prime Minister Samdech Hun Sen has been making his rounds of the various provinces, a move seen by many political observers as a run-up to the election campaign.

Hun Sen has also been calling for the current proportional electoral system to be changed to the first-past-the-post system that, many believe, would be advantageous to the CPP. Unlike its rivals that are beset with problems of internal bickering and lack of organisation, the CPP has remained united.

A political analyst here noted that any move to use the first- past-the-post system would work in the CPP's favour. [passage omitted] This system, analysts said, would work to CPP's advantage because it appears to be popular in the provinces.

Unlike the other parties, leaders of the CPP, especially Hun Sen, have been visiting the provinces to garner support from the voters.

Hun Sen himself has been presenting gifts of rice, foodstuffs and krama (Cambodian scarves) to residents in the provinces.

The CPP also has a good track record when it comes to helping the people in the provinces.

These people, especially the farmers, still feel indebted to the party for ousting the Khmer Rouge.

Since then, the party has also carried out many projects to build schools and irrigation canals and had dug numerous wells in the provinces.

These moves to win local support could ensure that CPP candidates would win the most votes when the Kingdom goes to the polls. "The general feeling now," according to some political observers, "is that Hun Sen is the most popular politician in the Kingdom."

Hun Sen, who is also the CPP secretary-general, has also called for the relaxation of the Kingdom's laws to allow the formation of new political parties.

He also called on those who wished to form new parties to provide wells for the rural people.

"If each new party provides more wells, a hundred new parties will be able to provide hundreds of wells to the people," he said recently.

According to the political observers, these statements by Hun Sen showed that he was confident of winning the next elections. However, there are others who disagreed. Foremost among them is opposition leader Sam Rangsi, who was sacked from his post as Finance Minister and member of the steering committee of FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] last year. Rangsi, who is now president of the banned Khmer Nation Party (KNP), said the efforts made by Hun Sen in the provinces would not ensure him victory in the elections.

"He can continue to build dams and schools and dig wells in the provinces, but if corruption is not wiped out, the CPP will not win the elections," he said. He said Hun Sen did not have the monopoly when it comes to providing for the people. "I have helped provide more than 70 wells and have financed the building of two schools in the provinces," he added.

A senior member of the Buddhist Liberal Democratic Party (BLDP) Kem Sokha said Hun Sen or the CPP should not be singled out for credit for providing the many facilities in the provinces.

"It is the duty of the Government to provide such facilities," he said.

The parties which have lost in the elections would not have the resources to provide such infrastructure anyway, he added.

FUNCINPEC MP Ahmad Yahya also feels that CPP will not win the next elections by itself.

"It has a lot of grassroot support and is very popular now. But anything can happen within the next two years. In any case, a party cannot win elections by giving away rice here and there.

To win, the party must concentrate on building the economy," he added.

Whether the analysts are right in their observations or whether Hun Sen's critics arguments are more to the point is a matter which can only be proven in the polls.

Ultimately, as Hun Sen himself noted, it is the people who will decide who wins the next elections. "The people own the ballot, they are the real masters.

"We (the political parties) can make all the promises, but if we break these promises, we will lose," he said.

Cambodia: FUNCINPEC Reorganizes Strategies for 1998 Elections

BK2603043496 Phnom Penh THE CAMBODIA TIMES in English 17-23 Mar 96

[Unattributed report — received via Internet]

[FBIS Transcribed Excerpt] Phnom Penh — The royalist FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] party led by First Prime Minister Prince Norodom Ranariddh, faced with the growing strength of it's rival, the Cambodian People's Party [CPP], is reorganising its strategies to maintain its edge in the 1998 general elections.

Weakened by expulsions of some of its original key leaders such as oppositionist Sam Rangsi and former foreign minister Prince Norodom Sirivut who is in exile in France, FUNCINPEC officials believe the party needs to pull up its boot straps if it is to maintain a strong presence in the government after 1998.

Party officials also fear that if Prince Ranariddh ascends the throne before 1998, FUNCINPEC would be left without a personality strong enough to garner the votes.

They feel that winning more seats is even more crucial now since there will be only one prime minister after 1998 — the man who heads the party with the highest number of seats.

"The CPP is in a position to be the majority party in 1998 and that will mean that (Second Prime Minister) Hun Sen would be the sole Prime Minister," a political observer here said.

The point about the CPP gaining ground, especially in the provinces, was brought home to the FUNCINPEC with a thud when King Norodom Sihanouk, in an interview with a local newspaper two weeks ago, said he believed that FUNCINPEC was losing ground to the CPP.

FUNCINPEC officials said they saw a need to reinforce support in the provinces, especially in former Khmer Rouge strongholds or those that are expected to be liberated by government forces in the next two years.

The royal family's influence in these areas was substantial and the FUNCINPEC hoped to capitalise on this, the officials said, pointing out that party president Prince Ranariddh was the second eldest son of King Sihanouk and had only last week been named by the king as his preferred successor.

FUNCINPEC MP Ahmad Yahya said there was still no one strong enough to boost the party's chances if Prince Ranariddh quits to become king. Party officials are hoping that the next 24 months would throw up strong personalities who could assist the prince, or if he becomes king, to ensure that the party maintains an edge over the CPP.

"FUNCINPEC is Ranariddh and Ranariddh is FUNCINPEC. Even (party secretary-general) Loy Simchheang will have to prove himself first," Ahmad said. He said the signs now showed that CPP had strong support in the villages. The CPP and its leaders have been carrying out constituency duties in the provinces, giving aid and providing infrastructural projects to the impoverished provinces.

Hun Sen, in particular, has been actively making his rounds in what some analysts see as a run-up to the elections. His popularity has surged and some analysts predict this will translate into votes for the CPP in the elections.

There are others, however, like Sam Rangsi, who feel that in the end, Cambodians will vote on which party could uplift their living standards with a high level of morality, not on the basis of who provided them with money, wells or roads. [passage omitted]

Cambodia: Sihanouk's Remarks Said 'Full of Poison' Against CPP

BK2503124696 Phnom Penh CHAKKRAVAL in Cambodian 21 Mar 96 pp 1, 4

[Unattributed report]

[FBIS Translated Text] The situation in Cambodia has soured again in the past two weeks following a series of outwardly nice but inwardly snide remarks by King Sihanouk full of poison against an influential party. This has led to the resurgence of a state of confrontation and threat. Even more serious, it could lead to a catastrophe and bloodshed should the party leaders make any wrong moves.

King Sihanouk's remarks and his nomination of the prince krompreah [Norodom Ranariddh] as next in line for the throne and Samdech Chea Sim as the regent "head of state" can be compared to an arrow fired directly at the heart of the Cambodian People's Party [CPP]. If Samdech Chea Sim agrees to become head of state as nominated, it would be like someone using a kung fu move against his own kung fu master. It means that if Samdech Chea Sim became head of state His Excellency Loy Simchheang would automatically become chairman of the National Assembly.

If the plot ended there, there would not be many complications that could deteriorate into bloodshed. Observers of Cambodia's political situation are very concerned about another scenario. The curtain may have been lowered, but the two actors will not stop playing their roles. If the prince krompreah agrees to ascend the throne, observers are anxious to know which candidate the new party leader would pick to become first prime minister. If Candidate A were a decent person suitable for the post of prime minister and agreeable to continuing the co-premiership, then the situation would ease and normalcy would return. There would be trouble if, on the contrary, Candidate A did not fit the position, had a personality clash with Prime Minister B, and was not elected by the National Assembly but rather was chosen by the chairman using his authority. Catastrophe and bloodshed would follow.

Samdech Hun Sen once said: I ask the party leaders to avoid making decisions that could cause a catastrophe.

Samdech Hun Sen clearly stressed: I have no intention of being anybody's enemy and I do not want to quarrel with anybody. I would hide in a crab hole rather than have a confrontation. Yet I am always ready if confrontation is unavoidable. The CPP and I would take shelter in a crab hole to avoid political disputes. Yet if others follow us to the mouth of the hole, we will have to react. This is not a threat against anybody, but let us be responsible vis- a-vis the nation's destiny. It is sensible for all political party leaders to show compassion toward their own citizens.

Cambodia: Sihanouk Extols Peaceful Settlement

BK2303121396 Phnom Penh National Radio of Cambodia Network in Cambodian 0200 GMT 21 Mar 96

[Speech by King Norodom Sihanouk at the opening of a school and health center in Krang Lvea Commune, Samakki Meanchey District, Kompong Chhnang Province, on 19 March — recorded]

[FBIS Translated Excerpt] [Passage omitted dealing with Sihanouk's salutations to national leaders and local people and the importance he gives to education and health] I also would like to take this propitious opportunity to inform all of you that our key problem now is peace. We see now that our Royal Government [RG]; our Khmer Royal Armed Forces [KRAF]; our police; our provincial, municipal, district, and commune authorities; and all our good citizens are making great efforts so that our country once again enjoys peace as in the time of Sangkum Reas Niyum [SRN — Sihanouk's pre-1970 party] before the coup d'etat of Mr. Lon Nol. As you know, after Mr. Lon Nol's coup d'etat there was war, and when Mr. Pol Pot came to power we experienced a catastrophe. Now, however, we are making our best efforts to bring peace back to our country, our motherland, our national community.

This peace is making great headway. The state of insecurity produced by the Khmer Rouge [KR] has greatly decreased thanks to the excellent policy of the RG in rebuilding the nation for the motherland and reviving and promoting Buddhism and other religions just as in the time of SRN. For this reason, the people give their support to the RG with Prince Krompreah Norodom Ranaridddh and Samdech Hun Sen as the outstanding leaders, who are working all day and night with little rest to serve the motherland. In addition, Princess Norodom Marie and Madame Bun Rani Hun Sen, the wives of our two heads of government, are also making great efforts of their own, as are all our military and civilian officials. I would therefore like to take this opportunity to express my utmost thanks to and admiration for all of them. [applause]

What we call peace is of immense significance. My children, if we have peace we can do anything: we can solve all the problems that we have, such as repairing schools or building new ones; we can do what the venerable monks have asked us to do, such as repairing the temples and schools, sinking more wells, and so on; and we can handle all our agricultural problems, including implementing the irrigation policy that we are jointly undertaking. If we have peace, we can make a rapid progress. This progress, of course, is not for our country to become formidable. It is to bring prosperity, well-being, happiness, and freedom to our people. So, peace is most important. We must try hard to restore peace 100 percent.

It is for this reason that I am most satisfied with the achievement of the RG in convincing more KR to return to the national fold, to stop straying on an erroneous path, and to return to the correct way. This is a great achievement because peace is best. Peace is the most efficacious medicine for solving all our big and small problems in the motherland. And with peace we can run fast in order to catch up with more advanced countries. We were second to none in the time of SRN, but since the coup d'etat of Mr. Lon Nol and the reign of Mr. Pol Pot we have regressed while other countries have progressed. For this reason, the two heads of government, myself, and our wives have joined hands with all our people in doing all we can to enable our country to catch up with other countries. If we fail to beat them, at least we should not be beaten by them.

Therefore, we are making efforts all day and night. I have noted that the two samdech have been very busy going to this region and that, and sometimes have personally engaged in manual labor as I did in the past. I am 74 years old now and my doctors have told me to refrain from shoveling dirt, for such work has become too strenuous for me. If I insist on doing manual work as in the time of SRN, I will surely die. So, excuse me for not joining you gentlemen. Nevertheless, I am very glad to see the younger generation do this work.

Before coming here, I told myself not to talk too much politics. I want to talk about nothing but happiness as taught by the Lord Buddha. The Lord Buddha always preached about peace. He urged us to find peace for mankind and to use what is called peaceful means in all our actions. It is for this reason that the RG has been using the policy of peace in solving the KR problem. Of course, there have been some clashes, such as those in Banteay Meanchey and Battambang, which have caused suffering and hardship to my children in these provinces, because some KR remained recalcitrant and refuse to return to the national community. Nonetheless, this peace is thriving. For instance, concerning the disputes between Vietnam and Cambodia in Svay Rieng and so on, the RG has been most correct in resorting to peaceful means. If we advocate talks and negotiations in the atmosphere of friendship and fraternity, we will surely be able to settle every kind of problems. We uphold justice. Our policy is correct. We do not encroach on any country. What we want is merely to live peacefully within our own legitimate borders. Our position is therefore unshakeable. If we use peaceful means, we will surely prevail, just as the Lord Buddha preached in the past. According to Him, if we uphold justice and if we are honest, we will surely win victory and happiness, for justice always triumphs in the end.

All my children should be aware that in coming here I want to bring you only good news, good things, anything that is pleasant to your hearts and ears. I am told by his excellency the provincial governor that there are also places in Kompong Chhnang where insecurity exists because the rebels continue to conduct wrongful activities. Therefore, in my capacity as your father — I consider all of you as my children, including the rebels — I would like to appeal to those who perpetrate acts of insecurity to desist and to return to the national community. The RG will welcome you and will not punish you for past crimes provided you stop fighting and causing insecurity.

I also appeal to the children in Banteay Meanchey, those who are rebels to please stop fighting and learn to love peace and the people. Stop causing damage and losses to the people's houses, ricefields, and livestocks. Stop making them miserable and let them live in peace, happiness, and prosperity. If you are true patriots, I challenge you to return to the national community in order to serve our motherland and our citizens who are the masters of the country. It is the citizens who symbolize our motherland as an independent country. Therefore, all of us, including the king, must serve the citizens and must consider ourselves the servants of the people.

Therefore, those who cause insecurity, after hearing my call, should stop doing so. I beg you to desist. Please return to the national fold. The RG will support you like other KR who have already returned. The KRAF have given them the same ranks as they had in the army of Mr. Pol Pot, while others have been given land titles and jobs by the RG. You should therefore listen to me again. I always take the opportunity during my upcountry visits to appeal to all to help me restore peace to the people. This is all I have to say to you.

In conclusion, I am most satisfied with all of you, my children, including the samdech our national leaders and those of you from all levels and in all circles, for being united in national construction efforts and in the defense of national independence, sovereignty, territorial integrity, and peace and for bringing all-around progress to our country as a true successor of SRN. I praise the two major parties, namely, FUNCINPEC [National

United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] and the Cambodian People's Party, for following in the footsteps of SRN. It is obvious that they have made progress in all fields. [passage omitted dealing with Sihanouk's gifts to the school and health center]

Cambodia: First Prime Minister Stresses National Reconciliation

BK2503132696 Phnom Penh National Radio of Cambodia Network in Cambodian 1100 GMT 25 Mar 96

[Speech by Cambodian First Prime Minister Norodom Ranariddh at the inauguration of an infirmary for the 1st Brigade in Sangke Satorp commune, Aoral District, Kompong Speu Province on 25 March — recorded; poor reception precludes further processing]

[FBIS Summary] In a 30-minute speech, First Prime Minister Ranariddh conveys greetings from King Norodom Sihanouk and Queen Monineat to government troops and Khmer Rouge returnees, saying that the king and queen have always advocated national reconciliation and national union and have urged continued efforts to persuade others to return to the fold.

Dealing with the current situation, Ranariddh says: "I would like to say again and again that what we are doing is very good. Continued fighting brings nothing."

Ranariddh talks about development in other countries such as Thailand, China, Vietnam, Laos, and Indonesia. He says this is possible because the people in these countries are united. He concludes by stressing that the country needs national reconciliation and national union and "the pledge to follow the advice of the king, the nation's father, and to abide by and implement unconditionally the government's policy to defend, build, and reconcile the nation."

Cambodia: Hun Sen Claims He Wants No Quarrel With Anyone

BK2303100396 Phnom Penh National Radio of Cambodia Network in Cambodian 0500 GMT 23 Mar 96

[Address by Second Prime Minister Hun Sen at the ceremony to lay foundation stones for construction of Kaoh Kev Monastery in Prek Dambok commune, Srei Santhor District, Kompong Cham Province, on 23 March — recorded]

[FBIS Translated Excerpt] [passage omitted] On 2 July, we will mark the anniversaries of the national coalition government, the promulgation of our constitution, the reestablishment of the second kingdom, the re-ascension to the throne of Their Majesties the king and supreme queen, and the formation of the Royal Government [RG]. The past-three-year concord has given a great boost to our development. Therefore, we are not afraid at all to do whatever we can for the sake of peace.

I believe that, thanks to the peace, Buddhist monks are able to make merit and Buddhists can observe the precepts of the Lord Buddha without fear. The compatriot Muslims can also pray every Friday according to their religious traditions, and adherents of other religions can perform rites in keeping with their own customs. Therefore, peace is a precious means of giving equality of life to our nation and every individual.

I think it is inappropriate to let peace slip out of our hands. I also think any person, group, or party that causes trouble or creates hostility, occasioning the loss of peace, are unforgivable historic criminals who have to be condemned by our people and nation.

All in all, I believe that no one wants the country to plunge into war. My ardent hope is in the heart of all of the mankind in the Kingdom of Cambodia, except for the tiny group of Khmer Rouge leaders. The low-ranking Khmer Rouge elements also want to join the RG. This is my hope.

In the appeal I made last week in Chamka Leu District, I stated that I have already entered a crab hole, that is, I want to quarrel with no one. I do not want to quarrel; I want to enter a crab hole. Anyway, let the crab hole not be blocked. This should be clearly understood.

I do not want to quarrel. So it appears to me that I have neither known or heard of anything. I have only heard the words: peace, national reconciliation; peace, national reconciliation; nothing else. Therefore, I firmly believe that all political parties and all individuals who have the political determination will certainly continue the process of peace and national reconciliation, the process of peace and national reconciliation for the sake of development. Peace is our life and the life of our nation; national reconciliation is our strength for development, development. [passage omitted]

Cambodia: Hun Sen Urges CPP Members To Ignore 'Provocations'

BK2503093596 Phnom Penh National Radio of Cambodia Network in Cambodian 0500 GMT 25 Mar 96

[Speech by Cambodian Second Prime Minister Hun Sen at the inauguration of a primary school in Chantrea District, Svay Rieng Province on 25 March — recorded]

[FBIS Translated Excerpt] [Passage omitted on local requests for assistance in building infrastructure; Hun Sen's childhood and his understanding of problems faced by people]

Last Saturday in Chamka Leu, and again yesterday, I said that I have gone into a crab hole and will not quarrel with anyone. Please do not block this crab hole. Yet as a political leader, I know what is happening. I understand the recent uneasy feelings of members of the Cambodian People's Party [CPP] over some regretful incidents. On behalf of Samdech Heng Samrin, Samdech Chea Sim, and other CPP leaders, I issue this call: Please do not use resentment to create problems and hostility. Please be politically mature; have trust in the people and serve the people. If we are unhappy with someone who says something that affects us, we should not retaliate. Instead, we should transform this resentment into activities to serve the people. I would like to say this to CPP members: Please do not provoke incidents. Do not react to provocations. Listen to your leaders. All CPP activists and supporters: Please do not let any incident turn into a conflict.

Compatriots: Whatever party you support, we are still fellow Cambodians of the same flesh and blood. Please remember this: Whatever party is in power, you will remain peasants. Tricycle drivers will remain in the same job. Please do not make any mistake on this issue. Who will farm the land if we all become officials? No matter what political party is in power, peasants will still work the land and laborers will remain laborers. This is it. Let politicians quarrel. We farm the land and should not take part in this quarrel. As for me, I will avoid it. You can say what you want, but I have already gone into a crab hole. I hear what is said, of course, but louder are the voices of poor farmers, poor students, workers, and laborers calling for peace, national union, and development. I dedicate everything to this end.

Thinking about these concerns, I only had two hours of sleep last night, from 0500 to 0700, exactly two hours rest. You cannot cover up a dead elephant with a winnowing basket. A number of CPP members and people have already broken their television sets. Please do no. do this. It is your television set. Do not hit the cart because you are angry with the ox. If you are angry, take part in digging canals for the people. I ask Chiem Yiep [CPP National Assembly member for Prey Veng constituency] to lead this movement. Those who are unhappy should get out and dig canals. Do not break television sets.

This is my appeal. We should become self-respecting and mature politicians. We have done everything for the people. We made all kinds of sacrifices for our people's survival on 7 January 1979. We started from scratch. We have done everything to win peace for our people. We should not allow this opportunity to pass because of provocations from any quarter. This is my appeal.

Of course Hun Sen's statement has been expected since Saturday. There was disappointment in some foreign and local circles because Hun Sen did not talk about anything except national union. I think this statement of mine will further disappoint those who expect a bad reaction from Hun Sen. Those who want peace, national union, and development will calm down, however. [passage omitted — Hun Sen talks to some actors about their performances]

We started from nothing; therefore, do not let this opportunity slip by. Please be patient. All CPP members: Please be patient, be patient for the sake of peace for our people. We should use all we have to serve the people. If you are restless, take off your shirts, don a krama [traditional Cambodian cloth], and use a hoe to fill five baskets with earth. That is better. Do not do anything else. This is my appeal.

I think that our compatriots will listen to this appeal, the voice of reason. I hope that others, whatever circle they belong to, will not create despair for the Cambodian people who yearn for peace, national union, and development. This is my conviction. [passage omitted — Hun Sen thanks people for messages expressing concern over his health and lists donations for local population]

Cambodia: Government Officers Predict Imminent Fall of Pailin

BK2603035796 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 25-26 Mar 96 p 2

[Report by Thmar Da: "The Capture of Pailin is Only a Matter of Time"]

[FBIS Translated Text] By late afternoon on 23 March there were two conflicting reports regarding Pailin: The first claimed that government forces had already captured Pailin, while the other said that it had yet to be taken. No matter what really happened, one sure thing is that Pailin cannot be defended forever. Sooner or later, it will fall.

Nhoek Bunchhai, first deputy chief of the General Staff, told foreign news agencies on the afternoon of 22 March that Cambodian Royal Government troops had captured the major Khmer Rouge base in Pailin and were fighting Khmer Rouge rebels in the suburban areas around the city. Defense Ministry spokesman Chum Sambat, however, told REAKSMEI KAMPUCHEA on the afternoon of 23 March that Pailin was not yet captured, but that government forces had reached the immediate approach of the town.

Another general confirmed that Khmer Rouge rebels fled to the Thai border or took refuge on Phnum Malai and in a dense forest on Phnum Veay Chap to escape government attacks. Government forces were taking steps to seal off the passes used by the Khmer Rouge in their flight to Thailand. It was expected that Pailin would be overrun by government troops no later than next week.

Discussing the obstacles, the officer explained that the slow advance was designed to prevent serious losses. It has been learned that each locality was unsafe because the Khmer Rouge had placed many mines, stakes, and traps against the progress of government troops.

The military campaign on the 80-km Route 10 from Battambang to Pailin has been going on for nearly three months under the direct command of General Ke Kimyan, chief of staff of the Khmer Royal Armed Forces. This operation is different from last year's in that the advance is being done at a deliberate pace. When one position is captured, a good road is built toward it in order to facilitate transportation of reinforcements and supplies for the army.

It was learned that several police and military police personnel will be sent to Pailin. According to resolutions at a recent seminar in Phnom Penh, two police and military police battalions will be sent to Pailin to ensure good order and security. A new city will then be organized and developed in the Pailin area with its own civil and military administration, police, military police, and population.

Cambodia: Khmer Rouge Claims Government Offensive 'Smashed'

BK2603040496 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 25 Mar 96

[Special report from Route 10-Pailin battlefield]

[FBIS Translated Text] Here is a special report from Route 10- Pailin battlefield on the smashing of a large-scale offensive launched by the two heads on Phnum Veng and Route 10 fronts.

From 21 to 23 March, the two heads mobilized 16 divisions of forces, 32 tanks, and many artillery pieces and multiple-rocket batteries to launch a large-scale offensive in two prongs.

The first prong was launched on 21 March from Route 10 to Phnum Veng. It involved nine brigades and divisions of enemy forces, namely the 4th Division, the 1st, 2d, 3d, 15th, 16th, and 17th Brigades, the naval unit, and the 911th Paratrooper Division. These forces were escorted by 19 tanks and many artillery pieces. This prong moved from Roung Kuk village to Phnum Veng. After 14 hours of fighting inside our punji and mine networks and being ambushed and snipped at by our forces from the front, rear, and flanks, 98 enemy troops were killed — their dead bodies were left on the spot — and 82 others were wounded. A T-55 tank was set ablaze.

The next day, 22 March, the enemy continued its offensive using infantry, artillery, and tanks. The fight lasted for nine hours. We killed 31 enemy troops and wounded 61 others.

On 23 March, the enemy again launched multi-pronged offensive against us, using infantry, tanks, artillery, and BM-14 and BM-21 multiple-rocket batteries. The fight lasted for 16 hours. We killed 93 enemy troops on the spot — 41 killed in mine attacks, 24 in snipping attacks, and 28 others in booby traps and mine explosions — wounded over 100 others and set ablaze a T-55 tank.

The second prong was also launched on 21 March. The enemy mobilized seven units of troops — 1st Division, 18th Brigade, the unit of the 5th Military Zone, the ranger unit of the 3d Military Zone, and unit of the Special Military Zone — and 13 tanks to launch this offensive from the northern part of Phnum Veng mountain. The three day combat took place inside our punji and mine networks. We also ambushed the enemy troops from the front, rear, and flanks by detonating mines and snipping at them, killing 84 and wounding 64. Three tanks were set ablaze when they ran over our mines. We also destroyed (?48) assorted artillery and a large quantity of war material.

In sum, we totally smashed this large-scale offensive of the enemy within three days, killing or wounding 563 enemy soldiers and destroying five T-55 tanks.

Long live the National Army of Democratic Kampuchea and poor people on Route 10-Pailin battlefield!

Cambodia: Khmer Rouge Ridicules Pailin Capture Claim

BK2503063396 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 24 Mar 96

[Unattributed commentary: "Liars! Liars! Big Liars! You Lie that Pailin Has Been Captured Whereas It Has Remained in the Hands of the People and Democratic Kampuchea, and Countless Numbers of Two-Headed Soldiers Have Been Killed!"]

[FBIS Translated Text] I. Western radio broadcasts have helped [deputy chief of Staff of the Phnom Penh Army] Nhoek Bunchhai to propagate his claim that he has captured Pailin. They have helped the two heads in gleefully advertising this claim as part of their morale-boosting campaign.

II. What is the real situation? It is like this: On Route 10 from Treng to Chisang our army, guerrillas, and poor people are launching daily attacks against the enemy, killing their soldiers and destroying their tanks and their troop, cargo, and water trucks. This area is strewn with the bodies of dead soldiers from both the 1st and 2d Ranger Divisions and other units. The two-headed traitors are running out of troops as we continue to attack them and cause them to collapse in chunks, crushing both their infantry forces and their tanks. Two-headed commanders, such as Ke Kimyan and others posted in Battambang and Treng are completely demoralized because scores of their men were killed when they tried to push forward on Route 10 as well as in the Sisophon-Poipet region and in North Preah Vihear. The two-headed commanders are also now crying in despair because they do not know where they can get reinforcements to rescue their men on so many fronts where they are being trounced.

III. Therefore, both the recent and earlier Western radio reports are nothing but shallow, shameless lies. Cambodians call them liars, liars, big liars and joke that the more blatantly they lie, the more they expose themselves as having been beaten to the brink of total defeat.

Indonesia

Indonesia: Croatian Minister Meets Suharto; Hopes To Sign Accords

BK2603073096 Jakarta ANTARA in Indonesian 0537 GMT 26 Mar 96

[FBIS Translated Text] Jakarta, 26 Mar (ANTARA) — Indonesia will continue to actively take part in the peace process in Bosnia- Herzegovina, including the economic reconstruction of that country. Foreign Minister Ali Alatas was speaking to reporters after accompanying Croatian Foreign Minister Mate Granic on a courtesy call on President Suharto at the Merdeka Palace Tuesday morning. Alatas said Indonesia hopes the Dayton accord will produce positive results, including the cessation of hostilities between Serbia Bosnia and Croatia.

"Indonesia hopes that the Dayton accord will not only stop the war, but also produce a lasting peace," Alatas said.

Croatian Foreign Minister Mate Granic said his country hopes that economic and trade cooperation agreements with Indonesia will soon be signed. Croatia also hopes that the agreements on the avoidance of double taxation, investment promotion, and telecommunications will be signed soon. He indicated that Croatian President Franjo Tudjman may be able to visit Indonesia this year.

The Croatian foreign minister arrived in Jakarta on Sunday [24 mar] to inaugurate the new Croatian Embassy in Jakarta with Fzeljko Kirincic as its ambassador.

Indonesia: Alatas Calls Portuguese Minister Remarks 'Inappropriate'

BK2603072896 Jakarta REPUBLIKA in Indonesian 26 Mar 96 p 16

[FBIS Translated Excerpt] Jakarta — Ali Alatas, minister of foreign affairs of the Republic of Indonesia, has called Portuguese Foreign Minister Jaime Gama's statement that Portugal is waiting for the Republic of Indonesia to normalize their relations 'inappropriate.'

According to Alatas, the statement was inappropriate because during their meeting in Bangkok on the sidelines of the Asia-Europe Meeting in early March, President Suharto and Portuguese Prime Minister Antonio Guterres agreed to discuss the matter further.

"The president of the Republic of Indonesia and the Portuguese prime minister agreed that the two foreign ministers would discuss the matter further. I want to know in detail how the idea will be translated into reality," Alatas said at the end of a meeting with Dr. Mate Granic, Croatian deputy prime minister and minister of foreign affairs, in Jakarta yesterday (25 March).

Alatas recalled that the meeting of the two heads of government in Bangkok was spontaneous, brief, and impromptu. "As a logical consequence, further clarification of the idea will be necessary," Alatas said. [passage omitted covered by referent item]

Indonesia: Expansion of ASEAN Subregional Cooperation Urged

BK2503142096 Jakarta KOMPAS in Indonesian 25 Mar 96

[Unattributed report — received via Internet]

[FBIS Translated Excerpt] Medan, KOMPAS—ASEAN subregional cooperation has been expanded to encompass the Indonesian Provinces of Sumatera, Kalimantan, Sulawesi, Maluku, and Irian Jaya, in anticipation of the globalization era and the creation of the ASEAN free trade area by the year 2003.

Speaking at the opening of the 25th North Sumatera (Sumut) Trade Fair Week in Medan on Friday (22 March), Ir. [Engineer] Hartarto, coordinating minister for production and distribution, said that the Indonesia-Malaysia-Thailand Growth Triangle (IMT-GT) was expected to be expanded to include Riau Province. The IMT-GT, an economic growth center, was only comprised initially of Aceh, Sumut, West Sumatera, Malaysia, and Thailand.

Likewise, the Indonesia-Malaysia-Singapore Growth Triangle (IMS- GT) was initially comprised of Riau, West Sumatera, Malaysia, and Singapore. The IMS-GT has now been expanded to include Jambi, Bengkulu, South Sumatera, Lampung, and West Kalimantan.

Meanwhile, the areas of Brunei Darussalam, Indonesia, Malaysia, and the Philippines East ASEAN Growth Area (BIMP-EAGA) have been extended to include Central Kalimantan, South Kalimantan, Southeast Sulawesi, Central Sulawesi, South Sulawesi, Maluku, and Irian Jaya.

Hartarto said: "Cooperation in the growth triangle area is very crucial. Therefore, there should be no bureaucratic obstacles from the central and provincial governments, particularly in issuing permits. They can cooperate with those in Jakarta or in other regions if businessmen in the provinces are not able to handle projects."

He said 45 MOUs [Memoranda of Understanding] on investment valued at $3.21 billion had been signed at the preliminary stage.

Economic cooperation within the Asia-Pacific Economic Cooperation (APEC) framework has been developed at the regional level, and this provides an opportunity for development in Indonesia. Currently, 75 percent of Indonesia's nonoil and nongas commodities exports have entered APEC markets. In addition, 65 percent of the tourists who visit Indonesia and 60 percent of foreign investment in the country are from APEC member countries.

He said that the increasing nonoil and nongas commodities exports, the main driving force for development over the past five years, grew at an average of 19.2 percent per year. The manufacturing sector grew at an average of 21.5 percent per year.

Nonoil and nongas commodities exports reached $14.6 billion at the end of 1990 and grew to $34.95 billion by the end of 1995. [passage omitted]

Indonesia: Indonesian Business Dispute Resolution Office Touted

96SE0042B Jakarta BISNIS INDONESIA in Indonesian 23 Feb 96 p 6

[Article by Agus Raharjo, member of LIPI (Indonesian Science Institute) research staff: "The Dilemma for Resolution of Business Disputes in Indonesia"]

[FBIS Translated Text] The formation of the Indonesian Business Dispute Resolution Center (P3BI) should receive much attention, particularly from members of the business community, who prefer that the resolution of disputes not be done by official judicial bodies.

H. Sukamdani S. Gitosardjono, chairman of the P3BI Board of Directors, said that settlement through "alternative dispute resolution" (ADR) has not been common in Indonesia and needs to be expanded in anticipation of free trade.

The world is now moving toward a trade system that will produce competition in places where trade was previously closed to foreigners but are now open to creation of free trade.

This will have consequences, not only for the trade community itself, but also because of the emergence of disputes needing fast and appropriate handling, consistent with the rapid flow of trade.

This characteristic of trade is what requires that businessmen avoid the courts for resolution of disputes. Dispute resolution in the courts takes no small amount of time. From the filing of a dispute to a final decision could take three years, and sometimes even longer.

Moreover, not all judges understand business activity and development, which are affected by a variety of factors.

With businessmen leaning toward resolution of disputes outside the courts, the creation of the P3BI represents for a long-standing problem a solution previously not brought to realization or institutionalization.

The formation of the P3BI needs support, but if the P3BI is to do its job well, the various obstacles to its future development must, of course, be anticipated. These obstacles can be grouped as structural and functional.

Family Spirit

In a statement to the press, Sukamdani said that the resolution of business disputes should be oriented to resolution in a spirit of family through alternatives of mediation, negotiation, conciliation, and arbitration.

An interesting aspect of his statement was the inclusion of the family element in business disputes.

Because family spirit is a manifestation of our national culture, the use of this dispute resolution medium is not foreign to us. The family characteristic of our culture emphasizes the creation of harmony among living creatures.

This is similar to Japanese society. Because the Japanese stress harmonious relationships in every aspect of life, it can be said generally that the Japanese do not like legal remedies, because involvement with the law is dishonorable.

Businessmen bring this characteristic into their business relationships. When a dispute cannot be avoided, Japanese businessmen resolve it through an "out-of-court settlement," giving the broadest possible opportunity to the process of discussion between them. How is it, then, with Indonesia?

The principle of family in the resolution of disputes has long been used by many communities in various regions, but such dispute resolution usually involves questions of tradition. The use of the family principle in business disputes, which involve large sums of money, is something that has not been done, however.

The purpose of the family principle is to create harmonious relationships in every aspect of life. As in Japan, our culture, with its concept of "three dimensions," has a philosophy for creating harmonious relationships.

Under this concept, there is a desire to create harmonious relations between man and man, man and his environment, and man and God. In its development, this concept has not yet created character or ethic for Indonesian businessmen, unlike the situation in Japan.

Of the various methods offered to businessmen as options for application of the family principle, the most appropriate for business disputes are negotiation, mediation, and conciliation, while there is not much "volume" of demand for arbitration using the family principle.

The reason for this is that arbitration actually resembles normal court procedure, except that it is managed by the private sector and has private judges. The functions of the judges are the same as those of judges in ordinary courts. In general, the difference is that the judges are experts in certain subjects. Thus, they are not compelled to have special knowledge of the law.

Philosophy

The appropriatenesss of the family principle in negotiation, mediation, and conciliation is based on the meaning of the philosophy embodied in these methods. The basic philosophy of these three alternatives for disputes is the ability to resolve disputes by oneselves while looking toward the future.

Under this philosophy, the parties resolve disputes directly through family-spirit dialogue, with or without the help of mediators. The objective of dialogue, besides the resolution of disputes, is to create balance and harmony in relationships, so that in the future these good relationships can continue.

The approach used in resolving disputes by this method is different from that of ordinary courts or arbitration. The parties to dispute resolution can speak of various matters (not just about the law), because they are directly involved, and resolution is based on trust.

In other words, each party believes that problems can be resolved through methods that are not as rigid as those in the court system.

Bureaucratic

Structural obstacles are things that need to be given attention in the development of the P3BI. Besides obstacles in the form of bad practices by the business participants, which spring from their cultural principles and background, there also may be bureaucratic obstacles in the P3BI.

If the P3BI is too bureaucratic in its operations, its business participants will abandon it because they generally do not like things that smack of bureaucracy. Moreover, bureaucracy is not consistent with the demands of businessmen who want the resolution of disputes accomplished quickly.

In other words, the P3BI needs to simplify its bureaucracy. A bureaucracy that is quick and lacks red tape will greatly help the P3BI's development and will also conform to the demands of trade liberalization and national economic policy, particularly in eliminating costs that produce a high-cost economy.

Dualism

One alternative method to be used by the P3BI for resolving business disputes is arbitration. If the P3BI manages the arbitration itself, or sets up new arbitration, questions will be raised about other arbitration bodies that exist in Indonesia.

These questions would relate to the status of the National Arbitration Board (BANI), which is under the Indonesian KADIN [Chamber of Commerce and Industry].

If the P3BI acts only as a center for information about resolving disputes, there will be no significant problem; but if the P3BI offers dispute resolution services by setting up a new arbitration body, this will cause problems.

The problem would be related to the jurisdiction of each arbitration body. BANI was established with a vision for resolving disputes that arise in the industrial, trade and other areas, all of which are encompassed by the business sector.

Because of arbitration under the P3BI, there is a dualism in arbitration jurisdiction, whereas in other countries such dualism rarely occurs.

There are two ways to prevent this. The first is for the P3BI and BANI to list the various business problems, so that they can classify the ones that should be under the jurisdiction of the P3BI and which should go to BANI.

This would be the same as when the Netherlands colonial government conducted arbitration for various sectors. There was arbitration for agricultural product exports, for fire losses, and for accident insurance, with the result that in a single region there would be three arbitration boards.

Second, the P3BI and BANI could cooperate. In other words, if a problem came to the P3BI with a request for arbitration, the P3BI would directly appoint BANI and use its services.

In that situation, all issues relating to business disputes would use BANI.

Functional obstacles that could arise in the accomplishment of P3BI duties would be related to the decisions it reaches. If in implementing the results of negotiation, mediation, or conciliation, the parties desire to carry out the agreement they reach, there will be no problem.

If, however, one of the parties does not want to comply with an agreement, that will be a problem. In such a case, the P3BI will naturally have to take appropriate action in cooperation with judicial authorities to effect execution and to impose sanctions on the violator of the agreement.

Sanctions in such a case would of course not be like those handed down by a judicial body but would be even more effective. A violator would be shunned by the business community and blacklisted as a dishonest and unsportsmanlike business.

Philippines

Philippines: Manila Not To Send Any Official to Li's Inauguration

BK2603014896 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 25 Mar 96

[FBIS Translated Text] The Department of Foreign Affairs has assured that they will not send any Philippine official to the inauguration of Li Teng-hui as Taiwan's president. This was confirmed by Foreign Affairs Undersecretary Rodolfo Severino.

The Philippines is worried that China might be outraged if it sees the Philippines celebrating with Taiwan. Nevertheless, Severino said that they could possibly let Armando Fernandez, director of Manila Economic and Cultural Office in Taipei, attend the inauguration.

Philippines: Taiwanese President Not Invited to APEC Summit

BK2603034696 Manila BUSINESS WORLD in English 26 Mar 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] The Philippines yesterday reiterated its position that Taiwanese President Li Teng-hui will not participate in the leaders' meeting of the Asia Pacific Economic Cooperation (APEC) forum this November in Subic. Foreign Affairs Undersecretary Rodolfo Severino, reacting to reports that Mr. Li will be visiting Subic this November to attend the APEC summit, said the government will strictly follow the procedures of the United States, Indonesia, and Japan when they hosted the previous APEC summits.

The CHINA TIMES EXPRESS, a Taipei-based paper, said Mr. Li, who won Taiwan's first direct presidential elections last Saturday, might visit Subic in either October or November to visit Taiwanese- financed firms operating at the freeport. If Mr. Li will not be invited to the APEC meeting this November, he is likely to visit Subic instead, the paper, quoting unnamed sources, said. The visit of Mr. Li will not be accorded official status since Manila recognizes Beijing and does not have diplomatic ties with Taipei.

Philippines: Ramos Urges Modernization of Military

BK2603033996 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 25 Mar 96

[FBIS Translated Text] President Ramos has stressed the need to modernize the military in preparation for rising PRC-Taiwan tensions. Speaking at the Philippine Army 99th anniversary celebrations at Fort Bonifacio, the president said he believes the Philippines will not be involved in case a shoot-out between China and Taiwan takes place. However, he emphasized that it is best that the Philippines is ready for any kind of aggression.

Philippines: Military Rejects Muslim Rebel Demand for Withdrawal

BK2603034096 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 25 Mar 96

[FBIS Translated Text] Defense Secretary Renato De Villa has asserted that they will not withdraw troops from Sultan sa Barongis, Maguindanao despite demands from the MILF [Moro Islamic Liberation Front].

Rather, De Villa said troops will merely assume defensive positions in preparation for any attacks by Muslim rebels. De Villa added that the municipalities of Sultan sa Barongis and Sambayong have been declared as calamity areas.

Meanwhile, Army Chief Clemento Mariano has assured that the military neither used chemical weapons against Muslim rebels nor possessed any. He added that there are no chemical weapons in the military's inventory.

Philippines Government Registers 2d Consecutive Surplus in 1995

BK2603114096 Manila BUSINESS WORLD in English 26 Mar 96

[Report by Erwin L. Basilio — received via Internet]

[FBIS Transcribed Text] The sale of Fort Bonifacio helped the National Government (NG) register a cash surplus for the second year in a row after being in the red for 21 years.

Based on the latest data from the Bureau of Treasury (BTr), the NG registered a budget surplus of P [pesos] 10.17 billion last year. This was 43.8% or P7.94 billion lower than the P18.11 billion exhibited in 1994. Basically, the decrease in surplus was due to the bigger growth of government expenditures over income.

However, the 1995 surplus was P5.38 billion short of the P15.55 billion-programmed surplus the government set for that year.

And while the government was able to meet and even exceeded its targetted income, the excess was not enough to cover for the higher expenditures. Last year, government expenditures reached P350.04 billion or 10.4% higher than the P317.11 billion registered in 1994.

On the other hand, a relatively improved tax collection effort hiked government revenues 7.5% to P360.22 billion from P335.23 billion. But still, the growth in income was 2.9-percentage points lower than those of expenses.

Tax revenues, which accounted for the lion's share or 86% of aggregate government receipts, posted a substantial 14.2% jump from the 1994 level.

Tax collections are mainly handled by the Bureau of Internal Revenues (BIR) and the Bureau of Customs (BoC).

Last year, the BoC reported it exceeded its target largely due to the computerization of its operations.

For its part, the BIR has constantly supported the implementation of the expanded value-added tax (EVAT) law to significantly increase its tax collection effort.

It may be noted that without amendments, the law hopes to add P7.8 billion to government coffers this year. Proposed exemptions from its coverage, however, are estimated to cost around P4.55 billion. Amendments to EVAT and the 1988-VAT via additional exemptions law are being discussed by concerned officials as these will largely shape the country's tax reform initiatives.

Meanwhile, nontax revenues dwindled to P49.25 billion from P63.03 billion in 1994.

Nontax earnings included proceeds from the government's privatization effort, BTr income, and collection of other agencies representing fees and other charges.

The sale of Fort Bonifacio to winning bidder Metro Pacific consortium, now known as Bonifacio Land Corp. (BLC), in February of 1995, and the corresponding downpayment worth P19.59 billion were the saving graces for the government's cash position.

BLC has paid only P4.3 billion last month instead of the remaining balance of P19.6 billion as earlier anticipated by the government due to partial delivery of possession titles by the Bases Conversion Development Authority.

With this, the government has to put on hold some of its projects set for this year.

Meanwhile, the BTr reported lower-than-expected income last year as a result of shortfall in interest income from advances to government-owned and -controlled corporations.

On the expenditure side, government's interest payments for maturing obligations accounted for a significant portion of the overall expense account.

Interest payments last year reached P72.85 billion, of which 70.8% were for domestic debts.

Meanwhile, tax credits granted under the 1995 Investment Priorities Plan were said to have cost the government around P12 billion in potential revenue loss.

Vietnam

SRV Commentary Views FBI's Search for Vietnamese Spies

BK2503130296 Hanoi Voice of Vietnam in English 1000 GMT 25 Mar 96

[Station commentary]

[FBIS Transcribed Text] Last week, the United States Federal Bureau of Investigation, FBI, launched a campaign to search for spies targeting at Vietnamese communities in the United States. FBI officials consider the campaign an additional plan against spies. Our radio editor has more to say:

Founded in 1908, the FBI has not only been a criminal investigating agency but also an effective arm of anti-socialist forces. This is not the first time that the FBI launched a campaign to search for spies among Vietnamese communities in the United States. Such a campaign was launched among the Russian community in the 90's but failed to achieve expected results.

By launching this campaign, the FBI attempted to belittle the Vietnam's prestige, split the Vietnamese community in the United States, and undermine the Vietnamese-U.S. relations, which have seen positive steps of development since their normalization. These relations have also been rapidly developed, and U.S. investment in Vietnam is estimated at 1,120 million U.S. dollars.

It is expected that with increasing trends for peace and cooperation, U.S. President Bill Clinton will not turn history back by doing anything detrimental to the relationship between the two countries, due to the great efforts of the people and leaders of both the United States and Vietnam. For this reason, the U.S. Government had demanded that the FBI end its hostile acts against Vietnamese nationals living in the United States.

SRV Political Bureau Member Receives Iraqi Party Delegation

BK2503141896 Hanoi NHAN DAN in Vietnamese 16 Mar 96 pp 1, 4

[Unattributed report]

[FBIS Translated Text] On behalf of our party leaders, Comrade Le Kha Phieu, member of the Central Committee Political Bureau and secretary of the Central Committee, on the morning of 15 March cordially received a delegation of the Arab Socialist Ba'th Party led by Dr. 'Abd-al-Razzaq al-Hashimi, head of the party's Foreign Relations Committee, now on an official friendship visit to our country.

Dr. 'Abd-al-Razzaq al-Hashimi thanked Comrade Le Kha Phieu for taking the time to receive the delegation and expressed his delight at visiting Vietnam. He highly valued the experiences of the Vietnamese revolution, praised the achievements of our people's renovation process, and expressed the desire to develop cooperative ties between the Communist Party of Vietnam and the Ba'th Party so as to promote bilateral relations. He also asked Comrade Le Kha Phieu to convey the regards of Iraqi President Saddam Husayn, the Ba'th Party leader, to General Secretary Do Muoi and other Vietnamese party and state leaders.

Comrade Le Kha Phieu warmly welcomed the Ba'th Party delegation's Vietnam visit and thanked Iraq for its support and assistance for Vietnam's just cause in the past as well as its current renovation process. He briefed the delegation on key developments in Vietnam, the foreign policy of our party and state, and the preparations for the Eighth Congress of the Communist Party of Vietnam. He asked Dr. 'Abd-al-Razzaq al-Hashimi to convey the regards of General Secretary Do Muoi and other Vietnamese party and state leaders to President Saddam Husayn and other Iraqi party and state leaders. He reiterated Vietnam's desire to promote cooperative and friendly ties between the two parties and states.

The reception took place amid a cordial and open-minded atmosphere.

During its stay in Hanoi, the delegation had working sessions with the Central Committee Foreign Relations Department, the Central Committee Organization Department, and the Central Committee Economic Department. It also visited the Vietnam-Iraq Friendship Association and toured a number of places in the capital. The delegation visited Ho Chi Minh City on the afternoon of 15 March and then left for home.

SRV: CPV Party Delegation Visits China

BK2603153196 Hanoi VNA in English 1457 GMT 26 Mar 96

[FBIS Transcribed Text] Hanoi VNA March 26 — A delegation of the Commission for Inspection of the Communist Party of Vietnam Central Committee led by its deputy head Le Van Kien paid a friendship visit to China from March 18-26.

On March 20, the delegation was received by Wei Jianxing, Politburo member and secretary of the Commission for Discipline Inspection of the Communist Party of

China Central Committee (CPC CC), who stressed that the friendly and cooperative relationship between the two parties and two countries would be further developed. He also noted that bilateral cooperation in anti-corruption and building party between the two commissions should be speeded up.

Making a tour of several cities and provinces in China, the delegation had working sessions and compared notes with CPCCC's for discipline inspection and those of the cities of Beijing, Tienjin, and Guangdong Province and it called at a number of economic and cultural establishments there.

SRV: Journalists' Association Admitted to Regional Group

BK2303100196 Hanoi VNA in English 0643 GMT 23 Mar 96

[FBIS Transcribed Text] Hanoi VNA March 23 — The Vietnam Journalists' Association (VJA) was formally admitted as the sixth member of the Confederation of ASEAN Journalists (CAJ) at its 11th current conference.

The admission ceremony took place at the opening session of the CAJ's six-day conference held in Kuala Lumpur from March 19-24.

Addressing the conference, Mr. Phan Quang, president of the VJA and head of the Vietnamese delegation, expressed thanks to his regional colleagues who have made great contributions to create favourable conditions for the VJA's early joining of the CAJ.

Mr. Quang said among other things that as a full member of the CAJ, the VJA will do its utmost to boost friendship and expand cooperation among regional journalists' associations for the freedom of press, in the interest of all people living in Southeast Asia, and in conformity with the tradition, history, and culture of each nation.

The Vietnamese head delegate took this occasion to brief the conference's participants on the development and achievements of Vietnam's press in the renovation process of the country.

At present, CJA has six member countries including Indonesia, Malaysia, Singapore, the Philippines, Thailand and Vietnam.

Cambodia also sent a delegation to the conference as a observer.

Vietnam joined the Association of South-East Asian Nations in late July last year. Since then the country has actively taken part in activities of and joined several specific bodies within this biggest regional organisation.

SRV: Do Muoi Congratulates LPRP Chairman Khamtai Siphandon

BK2503020396 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 21 Mar 96

["Full text" of message from Do Muoi, general secretary of the CPV Central Committee, to Khamtai Siphandon, chairman of the LPRP Central Committee, on the occasion of Siphandon's election; date not given]

[FBIS Translated Text] Dear Comrade Khamtai Siphandon: I would like to send you my hearty congratulations on behalf of the CPV [Communist Party of Vietnam] on the occasion of your election as chairman of the LPRP [Lao People's Revolutionary Party] Central Committee.

I strongly believe that under the leadership of the Sixth LPRP Central Committee, of which you are the chairman, the Lao people of all ethnic groups will: score new and greater achievements in implementing the resolutions of the Sixth Party Congress; continue the renovation undertaking; successfully build Laos into a nation of peace, independence, democracy, unification, and prosperity; and actively contribute to peace, friendship, cooperation, and development in the region and the world.

I wish for the special relation of friendship, unity, and comprehensive cooperation between Vietnam and Laos to continuously be strengthened and developed. I wish you good health and happiness in the fulfillment of your formidable duties.

SRV: Japanese Businessmen Hold News Conference on Visit

BK2603162896 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 20 Mar 96

[FBIS Translated Text] The high-level delegation representing company members of the Kansai Economic Federation, or Kankeiren, held a press conference in Hanoi in the evening of 20 March to announce the results of its 16-21 March working visit to Vietnam.

On behalf of the delegation, Mr. Hashimoto, vice chairman of the Kankeiren and Marubeni Corporation, said that his visit to Vietnam had achieved very fine results. The visit would further accelerate the increasing Japanese investment in Vietnam.

The delegation also exchanged many views and experiences on economic development with the Vietnamese leaders. It also offered valuable opinions on the Vietnamese undertaking of national construction and renovation.

Members of the delegation expressed their pleasure at the opportunity to visit Vietnam and believed that in the future Vietnam and Japan would have improved cooperation for development.

SRV: Memorandum of Understanding Signed With Yemen

JN2503214496 Sanaa Yemeni Republic Television Network in English 1930 GMT 25 Mar 96

[Announcer-read report]

[FBIS Transcribed Text] The minutes of the first meeting between the country and the People's Republic of Vietnam in the fields of economic, technical, trade, and scientific and cultural cooperation was signed in Hanoi last Friday. A memorandum of understanding in the health field was also signed.

The minutes and the memorandum were signed by the minister of the public health, Dr. Najib Sa'id Ghanim, and his Vietnamese counterpart, Do Nguyen Phuong.

SRV: Ho Chi Minh City Customs Seize 18.1 Kgs of Narcotics

BK2603051796 Ho Chi Minh City CONG AN THANH PHO HO CHI MINH in Vietnamese 20 Mar 96 p 4

[Report by Van Long]

[FBIS Translated Text] Flight No. TG-BKK-680 of Thai Airways landed at Tan Son Nhat Airport in Ho Chi Minh City at 1240 on 15 March 1996. While going through the customs declaration procedures, two Asian passengers with Portuguese citizenship were found making declarations that differed from the technical inspection.

Customs officers then did a manual check. In the inspection room, the two black leather cases and two canvas bags belonging to the two men were found to have concealed compartments. In the 'secret' compartments, they found 17 compressed bars of white powder covered by plastic sheets weighing 18.1 kilograms. After certification procedures done by narcotic sniffing machines and by other chemical methods, customs office confirmed that the 18.1 kilograms of white powder were narcotics, and that this was the largest amount of narcotics ever transported to Vietnam from overseas.

SRV Paper Publishes National Assembly Communique No.11

BK2503090296 Hanoi HANOI MOI in Vietnamese 16 Mar 96 p 1,4

["Communique No.11" issued by the Ninth Session of the Ninth National Assembly in Hanoi on 15 March]

[FBIS Translated Text] The National Assembly meet at the conference hall on 15 March 1996.

Under the direction of National Assembly Vice Chairman Phung Van Tuu, the National Assembly continued to pass the draft law on mineral resources which comprise the following chapters:

Chapter II: Protection of natural mineral-related resources and basic geological surveys on natural mineral resources.

Chapter III: Scope of mineral-related activities and environmental protection in natural mineral-related activities.
Chapter IV: Mineral surveys.
Chapter V: Mineral exploration.
Chapter VI: Mineral exploitation and processing.
Chapter VII: State management over mineral resources.
Chapter VIII: Professional inspection of mineral resources.
Chapter IX: Giving commendations and awards and dealing with violations.
Chapter X: Enforcement Clause.

Forty-one National Assembly deputies aired their views. They were Le Thi Thanh Liem and Tran Van Ngau (Ben Tre), Bui Thi Binh (Hoa Binh); Lo Thi Luyen and Ca Kha Sam (Son La); Nguyen Viet Dung and Nguyen Van Nhan (Ha Bac), Le Thanh Binh (Soc Trang), Tran Quoc Thai and Nguyen Khac Tao (Ha Tinh), Pham Hung (Hai Hung), Le Ngoc Sanh (Dak Lak), Dam Van Nguy (Cao Bang), Nguyen Ngoc Tran (An Giang), Nguyen Van Tu (Dong Nai), Hoang Duc Hy (Tuyen Quang), Cu Hoa Van and Do Quoc Thang (Lao Cai), Bui Huu Hai (Vinh Phu), Trinh Tran (Ha Giang), Nguyen Van Tri, Nguyen Don, and Hoang Minh Thang (Quang Nam- Danang), Dang Khoi (Nam Ha), Nguyen Ngoc Hai (Haiphong), Nguyen Viet Hoe (Quang Ninh, Pham Quang Du, Pham Phu, and Le Minh Chau (Ho Chi Minh city), Nguyen Dinh Ngo (Thua Thien Hue), Le Van An and Tran Van Nhan (Binh Dinh), Nguyen Duy Anh (Lam Dong), Nguyen Duy Quy (Nghe An), Bui Ngoc Thanh (Lang Son), Tran Thi Minh Chanh (Phu Yen), Lam Phuc Co and Nguyen Dinh Loc (Yen Bai), Nguyen Nhu Vy (Nghe An), and Vu Duc Khien and Pham Thi Tran Chau (Hanoi).

On behalf of the Law Drafting Committee, Comrade Vu Dinh Cu presented the study and rectification of the draft law on mineral resources in accordance with suggestions of National Assembly deputies, and further explained a number of issues raised by National Assembly deputies.

With high unanimity, the National Assembly voted to pass one chapter after one on the draft law on minerals and then the entire draft law.

Under the direction of National Assembly Vice Chairman Nguyen Ha Phan, the National Assembly discussed the passage of the draft law on cooperatives.

On behalf of the session secretariat, of the Law Drafting Committee, and of the Economic and Budget Committee of the National Assembly, Mr. Do Quoc Sam, minister of planning and investment, presented the study on the suggestions raised by National Assembly deputies and proposed the rectification of the draft law on cooperatives.

On behalf of the secretariat, Comrade Ly Tai Luan read the full text of the draft law on cooperatives.

The National Assembly passed one chapter after another of this draft law.

As for Chapter I dealing with generalities, 13 National Assembly deputies aired their views. They are Le Duc Binh (Ninh Binh), Huu Tho and Nguyen Xuan Thuyet (Vinh Phu), Nguyen Viet Dung (Ha Bac), Nguyen Khoa Kim Boi (Thua Thien Hue), Tran Quang Ngoc (Nam Ha), Do Van An (Son La), Hoang Minh Thang (Quang Nam-Danang), Nguyen Van Sy (Gia Lai), Nguyen Quoc Thuoc (Nghe An), Le Thanh Binh (Soc Trang), Vo Tong Xuan (Can Tho), and Le Van Chi (Thanh Hoa).

On behalf of the Law Drafting Committee, Comrade Do Quoc Sam presented a study on the suggestions of the National Assembly deputies and further explained a number of issues they raised on Chapter I of this draft law.

The National Assembly will meet at the conference hall on 16 March 1966 to continue to pass the draft law on cooperatives.

SRV Paper Publishes National Assembly Communique No.12

BK2503025796 Hanoi HANOI MOI in Vietnamese 17 Mar 96 p 1

["Communique No.12" issued by the Ninth Session of the Ninth National Assembly in Hanoi on 16 March]

[FBIS Translated Text] The National Assembly met at the conference hall on 16 March 1996.

Under the direction of National Assembly Vice Chairman Nguyen Ha Phan, the National Assembly continued to pass the following chapters of the Law on Cooperatives:

Chapter I: Generalities.

Chapter II: Establishment and Registration of Businesses.
Chapter III: Cooperative members.
Chapter IV: Organization and Management of Cooperatives.
Chapter V: Property and Finance of Cooperatives.
Chapter VI: Merger, division, dissolution, and bankruptcy of cooperatives.

Before the National Assembly started to pass the Law on Cooperatives, National Assembly Vice Chairman Nguyen Ha Phan presented the process of studying and rectifying a number of points raised by National Assembly deputies in a previous session.

Seventy-eight National Assembly deputies aired their views: They are Nguyen Viet Dung, Tang Van Luy, Nguyen Van Nhan, Nguyen Hoa Binh (Ha Bac); Le Thi Tho (Tra Vinh); Ha Dinh Xo, Hoang Thi Anh Nguyet (Thanh Hoa); Pham Hung, Nguyen Van Yeu, Nguyen Duc Kien, Pham Nguyen Tan (Hai Hung), Trang A Pao, Cu Hoa Van, Vuong Thi Nghi (Lao Cai); Nguyen Thi Man (Haiphong); Nguyen Van Kha, Dang Khoi (Nam Ha); Bui Huu Hai, Nguyen Xuan Thuyet, Huu Tho (Vinh Phu); Nguyen Duong Hoang, Nguyen Nhu Vy, Lo Trung Thanh, Le Thi Thuy, Nguyen Duy Quy, Dau Hong Tan (Nghe An); Nguyen Hong Hai, Vu Duc Khien, Vu Dinh Cu (Hanoi); Nguyen Dinh Ngoc, Nguyen Khoa Kim Boi (Thua Thien Hue); Tran Thi Le Thu (Binh Dinh); Le Thi Thanh Lien, Nguyen Van Binh (Ben Tre); Nguyen Ngoc Tran (An Giang); Bui Ngoc Thanh, Hoang Thi Bich Ly (Lang Son); Hoang Minh Thang, Ha Thi Thu Suong, Nguyen Don, Nguyen Van Tri (Quang Nam-Danang); Trinh Xuan Mao, Ha Thi Lien (Thanh Hoa); Nguyen Van Tam, Nguyen Thi Tuyet, Hoang Dinh Cau, Dang Van Hai (Ha Tay); Bui Van Tam (Kien Giang); Truong Thi Khue (Quang Tri); Trieu Thi Nhay, Lam Phuc Co (Yen Bai); Bui Van Tam (Kien Giang); Truong Thi Khue (Quang Tri); Trieu Thi Nhay, Lam Phuc Co (Yen Bai); Le Khac Binh, Pham Phu, Tran Du Lich, Le Minh Chau (Ho Chi Minh city); Le Thi Bich (Ninh Binh); Tran Thi Minh Chanh (Phu Yen); Vu Thi Ngoc dau, Hoang Binh Quan (Thai Binh); Tang Nghia, Tran Quoc Thai, Trinh Hong Duong, Nguyen Thi Thu (Ha Tinh); Cha Ma Lea Dieu (Ninh Thuan); Vo An Bang (Dak Lak), Mua Thi My (Lai Chau); Vo Tong Xuan, Duong Viet Trung (Can Tho); Do Van An, Lo Thi Luyen (Son La); Dam Van Nguy (Cao Bang); Ha Quang Du, Hoang Duc Hy (Tuyen Quang); Nguyen Duy Anh (Lam Dong); Nguyen Van Thuan, Ma Dien Cu (Binh Thuan); Duong Minh Chuong, Trinh Tran (Ha Giang).

On behalf of the Law Drafting Committee, Comrade Do Quoc Sam presented the process of studying the views of National Assembly deputies and gave further explanation on a number of issues raised by the deputies.

With high unanimity, the National Assembly voted to pass the first six chapters of the Law on Coopratives.

The National Assembly will continue in session at the conference hall on 18 March 1996.

SRV National Assembly Resolution on 1996 Tasks

BK2503151396 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 24 Mar 96

["Text" of the "Resolution on Accelerating the Implementation of 1996 Tasks and the State Budget" passed by the Ninth National Assembly in Hanoi on 20 March]

[FBIS Translated Text] The National Assembly of the Socialist Republic of Vietnam,

In accordance with Article 84 of the 1992 SRV Constitution;

In accordance with the resolution of the Ninth National Assembly in its eighth session in October 1995;

After considering the government report on supplementary evaluation of the implementation of 1995 tasks and the state budget, implementation of 1996 tasks and the state budget, and suggestions tendered by National Assembly deputies;

Passes the following resolution:

1. To endorse the supplementary evaluation on implementation of the 1995 situation and tasks and major measures described by the government report to fulfill 1996 tasks and the state budget successfully.

2. To confirm the important achievement the people have made in the socioeconomic development undertaking, protection of national defense and security, and expansion of international cooperation in 1995; to acknowledge government efforts in directing and management roles, especially in economic development and inflation control during the last months of 1995 and early months of 1996.

The National Assembly also reminds the government of the shortcomings in relation to budget management. In particular, state revenue collection was low compared to the plan, budget overspending continued to rise, expenditures on capital construction were low, debts on capital construction costs were huge, and negativity and waste in budget revenue-expenditure management were still serious. The government needs to continue its effort to define causes and responsibilities and work out measures to rectify these issues satisfactorily.

3. To mobilize resources from all the people to implement successfully all targets and tasks determined by the National Assembly's resolution on implementation of 1996 tasks and budget.

In that direction, the National Assembly has worked out a series of orientations to implement the 1996 tasks and budget successfully as follows:

1. To mobilize all resources; maintain the existing pace of economic development and growth; gradually rectify the tense situation of capital demand; expand domestic capital sources; develop the capital market; establish the development investment support fund; develop various forms of investment that reflect cooperation between the state and citizens; ensure reasonable interests for mobilized capital; reduce loan interest on the basis of elimination of turnover tax and reduction of banking service fees and charges as determined by the National Assembly resolution; control tightly all capital, assets, and financial transactions in state business establishments; highlight the principle that the state business establishments have responsibility to work for profit and to be self-reliant and self-managed in seeking investment capital sources and expanding production activity; continue to disentangle the obstacles to the implementation of the Law on Encouragement of Domestic Investment; reserve appropriate proportion of after-tax profits for the purpose of development investment; develop various forms of cooperative economy in accordance with the Law on Cooperatives; improve the investment environment for the purpose of attracting capital and technology from overseas; rectify hindrances in procedures in obtaining land use right and ground clearing to create the conditions for the rapid development of foreign development projects already licensed by the state; expand domestic market in parallel with strengthening marketing activity and searching for new export markets; consolidate activities of purchasing and processing of foods and other agricultural products; impose limitations on importation of commodities that can be produced domestically and high-class consumer goods; stabilize import-export policy; and reduce import surplus.

2. To fulfill the revenue-expenditure plan of the state budget successfully:

a. On revenue: To exploit to the maximum extent all budget revenue sources. For types of revenue where collection is still unstable, close guidance and management should be employed so the targets can be achieved. To carry out resolute measures to rectify the situation of tax debts, tax evasion, and illegal trading; ensure strict observance among businesses to provisions of the ordinance on accounting and statistics; speed up tax reforms; adjust some tax rates in the existing tax charts; work out measures to ensure appropriate revenue collection from the transactions of land allocations and transfers of land use right, particularly in cities and industrial zones; check the underground housing land market which is becoming extremely popular; develop the sale of residential houses conducted by relevant state authorities with priority and special care given to purchasers who belong to the social entitlement beneficiary and low income categories; and confiscate all smuggled goods and consider them as state budget revenue.

b. On expenditure: Expenditure must be based on collection. If collection is not adequate, expenditure must be reduced accordingly. It is necessary to set up concrete plans to reduce expenditure when collection is not enough. Incorrect spending must be dealt with resolutely.

Cultural, educational, science and technical, health care, and national defense and security programs and other planned national programs must be adequately funded. Key national infrastructure construction projects must be guaranteed enough capital.

The situation of bad debts occurring in infrastructure in 1995 must be resolutely terminated before the deferment of infrastructure debts to subsequent years can be ended. Frugality must be earnestly practiced and spending for ceremonies, meetings, and purchasing luxury items must be closely controlled and limited. The regulations on reserved funds and bonus payments in state enterprises must be corrected to encourage business performance and ensure social justice.

The payment of salary and other income in some sectors and state enterprises must be checked and any irregular payments must be dealt with immediately. The implementation of the national regulations on state finance must be closely checked and audited. The percentage of budget overspending must be controlled within the limits authorized by the National Assembly be kept below the 1995 level. Activities of various state organs and mass organizations in carrying out the duty on budget collection and administrative reform:

Administrative reform must be accelerated and the improvement of administrative procedures must be continued, especially in the fields which will start on 1 June 1996, urgently prepared. Administrative reform must be attached to economic reform in all state structures and policies. The structure and mechanism of the state finance sector must be continually consolidated.

4. Implementing the legislation building program and ensuring the enforcement of laws:

The building and promulgation of legal documents that have been included in the legislation building program must progress as planned starting with documents relating to the execution of budget collection and expenditure, including the regulation on the revision and supplement of some articles of the regulation on the rights and obligations of national organizations that are granted land or rent land from the government and the regulation on fees and stamp duties. The National Assembly Standing Committee is entrusted with the duty of promulgating the revised regulation on taxes on national resources. Order and principle in the promulgation of legal documents must be restored. Sublaws must be promulgated in a timely manner and legal regulations must be quickly rechecked, revised, and supplemented. The Land Law must be satisfactorily implemented. Other laws that have been passed by the National Assembly must be quickly implemented, especially the Civil Code, the Law on the State Budget, the Law on Mineral Resources, and the Law on Cooperatives. Regulations on models of cooperatives must be quickly introduced.

5. Organizing for the execution of the National Assembly resolution:

The government, the National Assembly Standing Committee, and responsible state organs are entrusted with the task of outlining action plans for 1996 and organizing and providing guidance for the execution of this resolution in accordance with their function and duty. The National Assembly Standing Committee; the National Assembly Nationalities Council; other National Assembly committees, National Assembly delegations, and each National Assembly deputy must strengthen their supervision over the execution of the implementation of this National Assembly resolution, the 1996 tasks, and the resolution on the 1996 state budget estimation.

The Vietnam National Front and its members must closely cooperate with state organs to motivate people from all walks of life to participate in the successful implementation of the National Assembly's resolutions.

The National Assembly calls on people and soldiers across the country to heighten their spirit of self-reliance, diligence, and frugality in national construction; develop their skills and creativity; and successfully carry out the 1996 tasks to record achievements to welcome the eighth national congress of the Communist Party of Vietnam. This resolution was passed by the ninth session of the SRV Ninth National Assembly on 20 March 1996.

Signed: National Assembly Chairman Nong Duc Manh.

SRV National Assembly Session Closes 20 Mar

BK2203134696 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 20 Mar 96

[Report by Quang Huong on the 20 March closing of the ninth session of the Ninth National Assembly at the Ba Dinh Conference in Hanoi — portions recorded]

[FBIS Translated Text] After 15 days of spirited and intensive work with a high sense of responsibility displayed by the deputies, the ninth session of the Ninth National Assembly closed this morning at the Ba Dinh Conference Hall in Hanoi.

Attending the closing session were State President Le Duc Anh, Prime Minister Vo Van Kiet, Adviser Vo Chi Cong, and a number of personalities who were members of the First National Assembly. The European Parliament delegation now on an official friendship to Vietnam was also present.

Before the closing, the National Assembly voted to pass the law on the state budget which is made up of eight chapters and 82 articles.

Comrade Vu Mao, on behalf of the secretariat, read a draft resolution on the implementation of the 1996 tasks and state budget. After listing the achievements recorded by our people in 1995 and noting the government's efforts to direct the implementation of the socioeconomic development plan and to actively contain inflation, particularly during the final months of 1995 to early 1996, the draft resolution on stepped-up implementation of the 1996 tasks and state budget lays emphasis on the following five main points:

First, mobilizing all resources to maintain national development and the economic growth rate, gradually overcoming the state of tight capital, and expanding various forms with which to mobilize all domestic sources of capital for development investment;

Second, satisfactorily carrying out the 1996 state budget revenue and expenditure plan;

Third, stepping up administrative reform;

Fourth, satisfactorily deploying and implementing the national assembly's legislative program; and

Finally, organizing implementation of the National Assembly's resolution.

After a number of deputies contributed their supplementary views on the draft resolution, the National Assembly voted to pass it.

Next, National Assembly Chairman Nong Duc Manh delivered his closing speech. The chairman said:

At this session, the National Assembly examined a government supplementary report on the situation regarding the implementation of the 1995 tasks and state budget, the situation in the first few months of 1996, and major measures aimed at pressing for the successful implementation of the 1996 tasks and state budget. The National Assembly passed three important laws, namely the law on state budget, the law on cooperatives, and the law on mineral resources. The National Assembly examined various activity reports of the National Assembly Standing Committee, of the Nationalities Council, of other committees of the National Assembly, of the Supreme People's Court, and of the Supreme People's Organ of Control. It also examined a recapitulative report on the suggestions made by voters nationwide to the National Assembly and a report on a number of foreign relations issues; and passed a resolution on stepped-up implementation of the 1996 tasks and state budget.

National Assembly Chairman went on:

[Begin Nong Duc Manh recording] The National Assembly recognized important achievements, analyzed weaknesses in the implementation of the 1995 tasks, and pointed out the tasks to be carried out by the National Assembly, the government, various sectors and echelons, economic and social organizations, and all citizens so as to draw on lessons for the successful implementation of the 1996 tasks in accordance with various National Assembly's resolutions.

Judging from the 1995 situation when budget revenue collection failed to meet the planned target and when spending for development investment was still at a low level, the National Assembly affirmed that in 1996 and ensuing years, effective measures must be taken to appropriately and adequately mobilize and effectively utilize all resources, first and most importantly domestic resources. Specific attention must be given to those measures designed to foster revenue resources so as to make it ever-greater and steady. We must meet expenditure requirements, manage and closely supervise all items of expenditure, struggle to reduce overspending, achieve a balance between revenue and expenditure, delineate the responsibilities of various echelons and sectors in budget revenue collection and expenditure, ensure uniform guidance from the central authority and develop to the fullest the self motivation and dynamism of the local administration at various levels and of various enterprises. At the same time, we must broaden foreign relations, consolidate national defense and security, and create new cultural and social development. As an immediate task, efforts must be focused on gradually resolving pressing issues regarding education and training quality, medical examination and treatment for the people, the preferential policy toward those with meritorious services, environmental protection, the preservation and development of national cultural identity, and the prevention and control of social vices.

The National Assembly also attentively discussed various measures to further step up national administrative reform by rationally rearranging the financial mechanism, striving to practice thrift, resolutely fighting corruption, smuggling, and wastefulness, and resolving effectively and quickly requirements related to the people's livelihood and complaints and denunciations from citizens, and strictly maintaining national order and discipline. These are important tasks to be carried out harmoniously in 1996.

As for legislative work, the three laws recently passed by the National Assembly have been framed on the basis of studying and reviewing the situation over the years and originate from renovation requirements in various areas — handling the state budget, developing the cooperatives-based economy and cooperativization, and managing, protecting, exploiting, and effectively utilizing the mineral ores resource. These laws must be promptly deployed and implemented in order to serve new steps of national development. In addition, the National Assembly also gave its views on the main contents of a number of draft laws belonging to various areas involving the building of the local administration, and issues involving land, fees and surcharges. These serve as a basis for the National Assembly Standing Committee to examine and pass these laws in the period ahead.

Dear National Assembly deputies: Although the National Assembly's ninth session was brief, it successfully decided on many important issues. It attained these fine results thanks to the efforts of all National Assembly deputies and the various National Assembly organs and the positive contributions of large numbers of voters throughout the country, the government, relevant sectors and echelons, various delegates and veteran revolutionaries, and former National Assembly deputies. It was also due to the wholehearted contributions og various news agencies and newspapers that covered activities during the session. The National Assembly is sincerely thankful of all these valuable contributions.

After this meeting, I hope that in your capacity as National Assembly deputies, you will uphold your sense of responsibility as people's representatives in increasing your supervision over the implementation of those targets and tasks set forth in the National Assembly resolution; and will join with the entire party and people in actively emulating in scoring more achievements to greet the Eighth Party Congress and in fulfilling the tasks for 1996, the first year of the five-year 1996-2000 plan.

For the sake of the prosperity of the country and the happiness of the people, the National Assembly appeals to all compatriots, cadres, and combatants nationwide to uphold a sense of self reliance in overcoming all difficulties and ordeals and striving to step up production, fight against waste, economize on the use of both public and private property, and increase saving for development investment, for building our own lives, and for building the country. [end recording]

Dear friends: The ninth session of the Ninth National Assembly concluded with fine success amid the strains of the song "As If Uncle Ho Were Present In The Jubilant Day of The Great Victory".

We are convinced that the three laws passed by the National Assembly in this ninth session — namely the law on state budget, the law on cooperatives, and the law on mineral resources — will soon be translated into life, and that the resolution of the ninth session on stepped-up implementation of the 1996 tasks and state budget will soon be deployed by various localities, echelons, sectors, and by the entire people so as to contribute to advancing our country spiritedly toward the industrialization and modernization stage of 1996, the beginning year of the five-year 1996-2000 plan.

SRV: 'Master Plan' Against Drugs Reported

BK2603111196 Hanoi THOI BAO TAI CHINH in Vietnamese 29 Feb 96 p 13

[Article by Be Truong Thanh: "New Action Plan on the Front Against Narcotics"]

[FBIS Translated Text] The prime minister ratified in November 1995 the Master Plan for Prevention and Control of Narcotics in Vietnam. The National Committee for the Master Plan for Prevention and Control of Narcotics in Vietnam recently held a conference to announce the plan. THOI BAO TAI CHINH VIET NAM introduces hereunder the essential contents of the national plan for the prevention and control of narcotics (also called Plan 06-CP).

Drug addiction and trafficking as well as illegal drug trading have been on the rise in Vietnam over the past several years. To counter this situation, the Vietnamese Government has intensified its guidance on the prevention and control of narcotics.

The Vietnamese Government welcomed advice from delegations of the antinarcotics agencies in INCB and UNDCP in Vietnam regarding the drafting of a "Master Plan Against Narcotics for Vietnam". The Vietnamese

Government has authorized the Ethnic Minorities and Mountain Region Commission to sign with UNDCP the documents relating to the project to control narcotics. The project is funded by the UN Drug Control Program (UNDCP) and was signed in Hanoi with the codename AD/VIE/92/660. The main content of the project is: "To draft a comprehensive and uniform master plan for the prevention and control of narcotics in Vietnam." The project will also draw up concrete plans for other urgent tasks such as the determination of resources, funding, and budget demands, which are essential for the implementation of the master plan.

The Vietnamese Government has confirmed that the central task in the prevention and control of narcotics is the eradication of poppy plants, since these are the prime cause of drug addiction. Poppy plants are grown in Vietnam mainly by individual households or even by particular members of a family. The area of planting has been between 12,000-15,000 hectares countrywide, and once rose to 20,000 hectares. The party and state have worked out a policy on this issue and have launched many campaigns to encourage people not to grow poppy plants. In many localities, many families have destroyed the poppy plants and replaced them with alternative industrial plants. These campaigns have helped to quickly reduce the total area of poppy plant cultivation over the past several years. To date, the total area of poppy plant cultivation has been reduced to about 6,000 hectares. This is an important achievement in the eradication of the poppy plant, and is the outcome of a combination of mobilization, propaganda, education, and persuasion, in parallel with investment support for the people to develop alternative crops and assistance for the improvement of their livelihood.

This reality shows that in actual terms, the eradication of the poppy plant involves providing a solution to the problem of socioeconomic development for the mountain region (poppy cultivation region). The destruction of the poppy fields can only be guaranteed if socioeconomic development begins to make headway (particularly in infrastructure development, such as the transport system). The local economy should be directed to change into a commodity economy, which will enable local people to earn stable incomes and improve their living standards step by step. The issues of the eradication of the poppy plant and the redirection of production activities do not involve merely digging up all the poppy plants and replacing them with other plants. The plan requires efforts to accelerate socioeconomic development for the mountain region.

A pilot project for socioeconomic development and the eradication of the poppy plant in Ky Son District (Nghe An Province) — a locality with the largest area of poppy cultivation — has been implemented with assistance from UNDCP experts. This is an example of the master plan in reference to a particular locality, with the costs of $3.827 million covered by international assistance and Vietnam's investment in kind worth 5.078 billion dong.

In addition to the eradication of the poppy plant, the rehabilitation of drug addicts has to be intensified. Statistics reveal that there are about 190,000 drug addicts countrywide at present, but only 9,500 are going through rehabilitation. The results of drug rehabilitation are still very poor. The percentage of people keeping away from drugs for good after rehabilitation is only 20-30 percent, or even as low as 10 percent in some places. The rest become addicts again. Some people have been detoxicated five, seven, or even more than 10 times in some cases and have still failed to come off drugs.

The Vietnamese Government has introduced a socialization element into the task of drug rehabilitation with the aim of attracting all forces and organizations to participate actively and uniformly in the discovery, treatment, and rehabilitation of drug addicts and their reintegration into the community. Drug detoxication will be conducted in various ways: for example, by collective rehabilitation in medical or rehabilitation centers, and community rehabilitation in the community or at home. The government has made and is continuing to make significant efforts to strengthen its ability to control drugs and to coordinate closely with other countries and international organizations, especially with countries in the region, in the fight against drugs.

Apart from the eradication of the causes of drug addiction, the Vietnamese Government is also paying close attention to the tasks of propaganda and education against narcotics. The master plan also confirms that these tasks will be implemented on regular and widespread bases with diversified and effective methods.

The master plan on the prevention and control of narcotics in Vietnam for the period 1996-2000 includes the following contents: To intensify guidance on and management of the implementation of the national plan against narcotics; develop the planning and coordination of the anti-narcotic program of the agency that has been set up with funding from international sources worth $387,000 and domestic contributions in kind worth 348 million dong; improve the collection of information and its analysis by the secretariat for the national program; organize subcommittees that assist the program central committee; establish a management of information system (MIS) that will be useful for the coordinating role of the program's central committee; and enhance the management capacity of the Drug Inspectors Committee under the Drug Management Department of the Ministry of Public Health in managing the legal use of narcotics.

Other objectives of the master plan include: To perfect the legal system; check the sources of supply of illegal drugs; prevent drug abuse; provide treatment and rehabilitation to drug addicts; develop socioeconomic conditions for the replacement of poppy plants by other industrial plants; improve the capacity of relevant authorities in controlling and seizing illegal drugs; coordinate closely with all social forces and organizations in the management of various forms of drug rehabilitation in order to effectively reduce the number of drug addicts, and so forth. Training for staff involved in the treatment and rehabilitation of drug addicts is also gaining attention. Post-rehabilitation social matters such as occupational training, job creation, and so forth, which assist the reintegration of drug addicts into the community, have also been included.

The total cost of the national program against narcotics for the period 1996-2000 is estimated at 334.9 billion dong (equivalent to $30.4 million), of which international assistance equals $15.975 million. During the implementation process, necessary adjustments will be carried out to make the program responsive to the demands in the country, the region, and the world.

SRV: Le Duc Anh Encourages Opium Eradication Efforts in Son La

BK2603092996 Hanoi VNA in English
0813 GMT 26 Mar 96

[FBIS Transcribed Text] Hanoi VNA March 26 — President Le Duc Anh has called on the administration and party organisations in the northern mountain province of Son La to closely co-ordinate efforts to discourage the growth and sale of opium poppies and to curb opium addiction.

President Anh's appeal was made during his two-day trip last week to Son La, once famous for its vast tracts of poppy fields. Several years ago, the government began a concerted drive to eliminate its growth.

He told local officials that particular attention should be paid to help people of several ethnic minority groups to switch to farming food and industrial crops.

Over the past five years local people have done much to improve their living conditions. More than 20,000 ha of industrial crops are now farmed along Highway 6, the main highway linking Son La with Hanoi and lowland provinces.

Food output for 1995 was 1.4 times higher than that recorded in 1991.

Destruction of forests for farming based on slash and burn methods has been markedly reduced, local officials told the president.

Local people are now far more aware of the need to preserve their environment, Anh was told.

Their direct involvement in the scheme to plant new trees has resulted in a five-fold increase in newly forested areas compared to the figure five years ago, the president heard.

SRV: Oil Production in Ba Ria-Vung Tau Province Detailed

BK2503145896 Hanoi VNA in English
1424 GMT 25 Mar 96

[FBIS Transcribed Text] Hanoi VNA March 25 — Ba Ria-Vung Tau, a neighbouring province of Ho Chi Minh [HCM] City, has a big role to play in the current industrialisation and modernisation process of Vietnam as it possesses huge off-shore oil and gas deposits and immense potential for tourist development.

The province is part of Vietnam's key economic triangle, including HCM City, Ba Ria-Vung Tau and Dong Nai, which now accounts for more than two-thirds of the country's industrial output. Its annual gross domestic product (GDP) per capita was USD [U.S. dollars] 1,200 last year against an average of USD 270 for the whole country at present.

In 1995, the yearly output of crude pumped out from its off-shore oil fields was more than seven million tons. This was attributed to the exploitation of Dai Hung (Great Bear) oil field under a joint venture between Vietnam and BHP Australia since October 1994 and the higher output from Bach Ho (White Tiger) and Rong (Dragon) oil fields operated by Vietsovpetro, a joint venture between Vietnam and Russia.

Major oil companies from France, Britain, Japan, Norway, India and Malaysia have also announced discoveries of new oil reserves off the provincial coast.

Off shore gas deposits are also very large. At present, along with the tapping of about 20,000 tons of crude oil from these three oil fields per day, some three million cubic metres of associated gas is available daily but only one third of this is being used. It is estimated that the crude output will be raised to 20 million tons and the associated gas output to three billion cubic metres per year by the turn of this century. The gas potential in Ba Ria-Vung Tau will help to set up more gas turbine power plants in the region with a designed capacity of 2,400 mw [megawatts] altogether.

At present, local authorities are calling for foreign investment in building sea and river ports accessible to freighters with a capacity ranging between 5,000-200,000 tons, and with an estimated cargo handling total of 150 million tons annually. Among them, Ben Dam port and Thi Vai deep water sea port are now under construction.

Meanwhile, several major industrial areas such as Phu My, Phuoc Thang, Dong Xuyen and Long Son are taking shape. These areas include projects to build power, cement, steel and chemical fertilizer plants, ship-building yards, sea and farm product processing enterprises, and other light industry establishments. These projects are drawing investors from Singapore, South Korea, Taiwan, Australia and other countries.

It is noticeable that the Vina-Kyoei Steel Plant, a joint venture between Vietnam and Japan, with a capacity of 240,000 tons of steel for construction, has been put into official operation since early this year.

Ba Ria-Vung Tau has long been a tourist attraction in Vietnam, and every year, receives 1.8-2 million domestic and foreign visitors. There are now 15 companies and 900 individuals involved in the tourist business in the province with 65 hotels and 88 villas totalling 6,800 rooms. Of these, 25 hotels with more than 1,000 rooms and 35 villas are under the management of the Tourist and Oil Service Company (OSC) which can accommodate about 1,500 foreign travellers and tourists at the same time.

Of late, the province has set a plan for tourist development in five places such as Vung Tau Beach, Long Hai, Binh Chau-Phuoc Buu, Dinh Mountains and Con Dao Islands. This is part of its efforts to make tourism into the second largest income source after the oil industry in the locality.

To date, Ba Ria-Vung Tau has 48 foreign-invested projects with a combined capital of USD 839 million, including 16 projects totalling USD 575 million licensed last year. This was a 5.8-fold increase over the previous year.

SRV: Vo Van Kiet on Constructing Chan May Industrial Zone Port

BK2603093496 Hanoi VNA in English 0813 GMT 26 Mar 96

[FBIS Transcribed Text] Hanoi VNA March 26 — Prime Minister Vo Van Kiet has visited the Chan May Industrial Zone in the central province of Thua Thien-hue.

He held working sessions with the provincial people's committee on choosing the site for building a deepwater port in the Chan May Gulf.

After hearing reports on project's feasibility and design from relevant agencies and ministries, the prime minister expressed his high appreciation of the work done by scientists. He said that it formed a good base for the development of the zone.

The Chan May Gulf is located in Loc Vinh Village, Phu Loc District, five kilometres off Highway 1a and the north-south railway line. With a water surface of 20 square kilometres and depth of 6- 14 metres, the Gulf can accommodate 50,000-tonne to 70,000-tonne ships.

The Gulf is naturally sheltered from storms and typhoons and can be used as a port all year round with a capacity of 40 million tonnes per year, according to the sub institute of physics in Ho Chi Minh City.

The Chan May Industrial Zone will be situated on 60 sq. km of white sand near the Gulf, and as such, will not be using agricultural land. About 7,000 hectares of zone will be used for building commercial and tourist centres. The area also has favourable conditions for building a water reservoir with a capacity of 116,000 cubic metres.

The Chan May Industrial Zone should co-operate with other industrial zones of Lien Chieu, and Dung Quat in implementing the national strategy of industrialisation and modernisation, Mr. Kiet said.

If the Chan May project is implemented, it would not only have a significant impact on the national economy, but would be a major step forward in the economic development of the central region, he added.

Mr. Kiet urged the Ministry of Transport and Communications to continue studies on the project to make it suit local conditions as match the need for external economic development in the region.

Australia

Australia: Minister Downer Welcomes Taiwan's Election Result

BK2403114996 Melbourne Radio Australia in English 1100 GMT 24 Mar 96

[FBIS Transcribed Excerpt] Taiwan's newly-elected President Li Teng-hui has indicated he will continue a policy of seeking a more prominent role for Taiwan in international affairs. [passage omitted]

Australia's Foreign Minister Alexander Downer welcomed the election in Taiwan as another step in the democratization process. Mr. Downer said he looked forward to an early resumption of dialogue between China and Taiwan and an easing of the tension evident in recent weeks. [passage omitted]

Australia: Downer Expected To Hold Talks With Mahathir in Darwin

BK2503074996 Melbourne Radio Australia in English 0500 GMT 25 Mar 96

[FBIS Transcribed Text] Australia's foreign affairs minister, Alexander Downer, has arrived in Darwin for talks with Malaysia's prime minister, Dr. Mahathir. Elizabeth Burn reports that the discussions take place later today when Dr. Mahathir makes a brief stopover in the Northern Australian city of Darwin.

[Begin Burn recording] Dr. Mahathir is making a stop on his way to New Zealand. Mr. Downer's staff say the aim of the meeting is to rebuild the relationship between Australia and Malaysia. It's the first time Dr. Mahathir has visited Australia since 1994. The talks between Mr. Downer and Dr. Mahathir will be general although government officials are expected to raise telephone access for (Jackalin Gallespi) and her two children [who were allegedly kidnapped by their Malaysian father] with advisers accompanying Dr. Mahathir. The Malaysian leader will meet Prime Minister John Howard in Brisbane on his way home from New Zealand on Friday. [end recording]

Australia: Foreign Minister Meets Malaysian Prime Minister in Darwin

LD2503141296 Melbourne Radio Australia in English 1200 GMT 25 Mar 96

[FBIS Transcribed Text] Malaysian Prime Minister Mahathir bin Mohamed and Australia's Foreign Minister, Alexander Downer, have held talks in Darwin. Elizabeth Byrne reports Dr. Mahathir's first visit to Australia in a decade is a refuelling stop on his way to New Zealand.

[Byrne] Dr. Mahathir was met at Darwin airport by a delegation including Mr. Downer and the Northern Territory Asian Relations Minister Eric Hall. Dr. Mahathir and Mr. Downer are expected to hold general talks aimed at rebuilding the relationship between Australia and Malaysia.

Dr. Mahathir has made the stop on his way to New Zealand. He will meet Prime Minister John Howard in Brisbane on the return trip later this week.

Australia: Government Expected To Give 420,000 for East Timorese Dialogue

BK2303114296 Melbourne Radio Australia in English 0500 GMT 23 Mar 96

[FBIS Transcribed Text] Australia is to contribute $20,000 [Australian dollars] for the East Timorese dialogue being held in Austria. Australia's foreign minister, Alexander Downer, said the money would help pay travel costs for those attending the second round of the dialogue. Mr. Downer said the all-party — United Nations sponsored — talks may provide an avenue for East Timorese groups to resolve their differences. He noted the talks were separate from the United Nations' dialogue between the Indonesian and Portuguese foreign ministers. Mr. Downer said the Australian Government supported any international effort to resolve the East Timorese situation in a way that was acceptable to all parties involved.

Australia: Trade Delegation From Solomon Islands Arrives

BK2503082196 Melbourne Radio Australia in English 0500 GMT 25 Mar 96

[FBIS Transcribed Text] A high-level trade delegation from Solomon Islands has arrived in Australia to attract investment partners in a range of business projects. The mission has been funded by Australia's Trade and Investment Promotion Service and is headed by a Solomon Islands' minister for commerce, industry, and employment, (Nathaniel Supa). Australia's high commissioner to Solomon Islands, (Rob Flins), says potential projects include tourism ventures, timber processing, and boat building. Mr. (Flins) says the decision to fund the mission reflects the urgent need in Solomon Islands for the establishment of a viable industrial and manufacturing sector to move away from natural resources as a form of government revenue.

Fiji

Fiji: Forum Leaders on Signing of Nuclear Free Zone Treaty

BK2503071496 Melbourne Radio Australia in English 0500 GMT 25 Mar 96

[FBIS Transcribed Text] The South Pacific Forum says France has opened the way for a new relationship with the region by today signing of the Nuclear Free Zone Treaty. Graeme Dobell reports that France, along with the United States and Britain, signed the protocol of the treaty at a ceremony in the Fijian capital, Suva.

[Begin recording] [Dobell] The signing in Suva means France, the U.S., and Britain accept the South Pacific ban on nuclear explosions or stationing of nuclear weapons. The secretary general of the South Pacific Forum, Ieremia Tabai, said France has now even legal force to its promise to cease nuclear tests.

[Tabai] Obviously, with the signing of the (?treaty) now would make things so much easier in terms of our relations with the French Government and its territories in the region. [end recording]

The Forum's chairman, Papua New Guinea Prime Minister Sir Julius Chan says the superpowers will no longer be able to treat the South Pacific as a nuclear playground. Speaking at the ceremony in Fiji, Sir Julius said it showed that the Forum was not an empty organization.

[Begin Chan recording] It marks the end of the tense and uncertain period when the region was a testing ground and in certain respects a battle ground for nuclear testing by nuclear powers. While the region may have appeared a (?calm) gigantic empty space for superpowers it has never been someone else's playground as far as the people of the region are concerned. [end recording]

French Polynesia

French Polynesia: Ships Carrying Radioactive Waste Banned From Area

BK2503065096 Hong Kong AFP in English 0628 GMT 25 Mar 96

[FBIS Transcribed Text] Suva, March 25 (AFP) — French Polynesia has banned ships carrying radioactive waste within its territorial waters as part of its commitment to a nuclear free zone, the territory's leader, Gaston Flosse, said Monday.

Speaking after signing the South Pacific Nuclear Free Zone Treaty on behalf of France, Flosse told reporters the sites where France conducted its nuclear tests at Mururoa and Fangataufa atolls were being dismantled. He said the operation was expected to be completed by the end of next year leaving only the centre for radiology surveillance in place.

"At this very moment as we are speaking, the test sites at Mururoa and Fangataufa are being dismantled," he said, speaking through an interpreter.

He gave a commitment that France would never again test nuclear arms in the Pacific, and said it had even gone a step further, halting production of high quality uranium and had begun to dismantle actual arms.

Asked about the possibility of Mururoa being used as a nuclear dumping site, Flosse said this was prohibited under the protocols of the Treaty of Rarotonga.

Mururoa, he said, was a testing ground which had never been used to store nuclear weapons.

France carried out atmospheric nuclear weapons tests from 1966 and pursued underground tests there from the 1970's. Its decision to end a moratorium and carry out six final six tests, which ended in January, drew widespread international protests.

France has now committed itself to signing the Comprehensive Test Ban treaty being negotiated in Geneva.

Flosse said: "As president of French Polynesia, I will not allow any ship carrying radioactive waste to come within our territory because that is my prerogative as president."

Deflecting questions on compensation, Flosse said: "There is no question of compensation for the so-called damage to the environment because there has not been any damage to the environment."

"I have made frequent visits to Mururoa, at least a dozen or so, since September. I swam in the lagoon, ate fish out of there, drank the coconut water and, despite my advancing age, I have not felt any after effects."

Speaking earlier at the ceremony, Flosse said he had been asked by French President Jacques Chirac to say that the existing radiological surveillance system would be functioning on a permanent basis.

This was "to rule out any possibility of any risk of contamination," Flosse said.

He said the mission by the International Atomic Energy Agency to carry out an analysis of the French test sites at Muroroa and Fangataufa had already begun and its report, expected in 18 months, would be made public.

"By calling an independent and impartial international body, France is pursuing a transparency policy that is traditional in my country," Flosse said.

French Polynesia: Mururoa Nuclear Testing Site Dismantling Begins

LD2503093396 Paris France-2 Teletext in French 0743 GMT 25 Mar 96

[FBIS Translated Text] France's nuclear test sites at Mururoa and Fangataufa are being dismantled, and the dismantling operation will be completed by the end of 1997, said Gaston Flosse, president of the French Polynesian Government, today.

From now on, French Polynesia will not allow ships carrying nuclear waste inside its territorial waters.

New Zealand

New Zealand: Paper Terms PRC's Missile Tests, War Exercises 'Reckless'

BK2303133296 Christchurch THE PRESS in English 19 Mar 96

[Editorial: "Reckless Games" — received via Internet]

[FBIS Transcribed Text] Regarding the situation generously, missile tests, some of them live and all of them close to Taiwan's coast, are being used by China to persuade Taiwanese voters in next Saturday's presidential election not to support any moves for Taiwan's independence. Viewing it in a less generous light, the missile tests and now the war exercises in the Straits of Taiwan and on the mainland are attempts to intimidate and bully Taiwanese over their election. They are also reckless. Even if China has no intention of attacking Taiwan, accidents happen. The consequences of a stray missile or another weapon hitting Taiwan are incalculable. Tensions are high. The two countries are heavily armed. The United States has one aircraft carrier battle group in the area and another on the way. No matter what assurances are given, in private or in public, it is exactly the sort of situation which can lead to conflagration, and China is responsible for it.

The Taiwanese presidential elections will be the first in which the President is directly elected. China fears that the elections will encourage the winner to declare independence. The present President, Li Teng-hui, is expected to win. After his private trip to the United States last year — widely used by Taiwan to further the idea of greater international recognition of Taiwan — China became convinced that President Li was scheming to promote independence, whatever his professed intentions. It said that talking to President Li about reunification was like "climbing a tree to catch fish." President Li's formal position has been that force or threats will not obstruct the elections. He has argued against making concessions to the mainland for the sake of rapprochement. The Taiwanese Foreign Minister, Frederick Chien, said that China did not care about world opinion, and that this was the sign of a hegemonical power. It was trying to dictate foreign policy to Taiwan. [sentence as received]

Neither President Li nor Mr Chien has given open backing for independence. Peng Ming-min, the presidential candidate of the Democratic Progressive Party, the biggest opposition group, seems more inclined to give such backing, though the pro-independence line has been toned down in the last few months. Lin Yang-kang, a former Kuomintang official, is the most pro-China of the presidential candidates. He is supported by the New Party, a splinter group dedicated to reunification.

China and Taiwan have both accepted the principle of one China. The official Chinese position is that there should be "one China, two systems" though China clearly wants to set the terms of the two systems. Within China the issue is one of nationalism, and is bound up with the leadership succession and the place of the military forces. Deng Xiaoping cannot be expected to last much longer. The Chinese leadership wants to retain communism, though with free- market characteristics. Whoever succeeds Deng wants the backing of the military forces, and the military appears to have made the Taiwan issue its own. Within China the military has become increasingly assertive. For many years China seemed prepared to be patient about the reunification with Taiwan. More recently it seems to have wanted reunification earlier.

Taiwan has forsworn the use of force to reunify the mainland and Taiwan. Within the last few days China has denied that it has forsworn the use of force to retake Taiwan if necessary. China fears that the election will give the new President a domestic and an international legitimacy which make reunification more difficult. What it will almost certainly do is to make reunification on China's terms alone more difficult. Some observers believe that the present tension will die down once the elections are over. They might be too optimistic. The timing will probably have more to do with the succession to Deng.

Whether the intimidation will succeed in dissuading Taiwanese voters from supporting moves towards independence and from voting for President Li remains to be seen. Some opinion polls suggest that Mr Li is getting more support, not less.

The missile tests and war exercises have demonstrated several things. The first is that China is prepared to take big risks with the lives of Taiwanese — some of whom it regards as compatriots — and with regional peace. The second has to do with the role of the United States in the region: the US has sent a military force to give some form of assurance. The exact nature of US intervention is being widely discussed. The presence of the US is sufficiently ambiguous to give China pause in its treatment of Taiwan and also sufficiently ambiguous to deter Taiwan from using it as an excuse to declare itself independent. Without that steadying presence the situation would be more unpredictable and dangerous.

It must be hoped that China and Taiwan will find some way of resolving their differences that will be both peaceful and fulfill the aspirations of their peoples. It does not make sense for China to press the issue too abruptly. Taiwan investment in China is high, and China wants international economic co-operation for its development. Unfortunately history is replete with examples of countries which pursue policies against their national interests.

New Zealand: Imports of British Cattle, Related Products Banned

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[FBIS Transcribed Text] Wellington, March 22 (AFP) — New Zealand on Friday suspended all imports of foods and other products for human consumption containing material from British cattle as a precaution against mad cow disease.

Ministry of Agriculture chief veterinary officer Barry O'Neil said it was a precautionary move while the risk to humans was assessed.

However, the Ministry of Health later said the ban was not based on concern for human health, but for animal health.

Agriculture Minister Lockwood Smith said in a statement there were no conclusive links between bovine spongiform encephalopathy (BSE) in cattle and a similar, fatal disease in humans, creutzfeldt jakob disease (CJD).

The mad cow disease scare has spread since the British Government admitted there was a possible link between bovine spongiform encephalopathy or mad cow disease, and CJD.

O'Neil said only a small volume of imports, in a limited range of foods, would be blocked.

Imports containing material from British cattle include cooked and canned meat products, cooked meat products packed in glass, foil, tins, or plastic, gelatine which may be made out of cattle hides, collagen casings (similar to gelatine), intestinal casings, meat pastes, lard, sausage rolls, and meat imported for use on airline flights.

Other products include ox gall, cat and dog biscuits and sausages, and cooked pet food in cans, glass or plastic.

"We believe that even though the import of these materials is very small and very few products are affected, we believe that it is appropriate to suspend the imports of these products until we are able to assess the information further that is being presented in the United Kingdom," he said.

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